

# Vote 28

## Labour

Amount to be appropriated	R1 216 884 000
Statutory appropriations	R2 950 000 000
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 protection and enhancement of worker rights and benefits.*

### Key objectives and programmes

The objectives of the Department of Labour are closely aligned with those of the Economic Services, Governance, and Social Services Clusters, and focus on investment, growth and job-creation, improved service delivery, and building the social security system.

In addition to *Administration*, which provides for the management and leadership of the Department, activities are structured into seven programmes:

- *Occupational Health and Safety of Persons* promotes health and safety at work through legislation, regulation and monitoring.
- *Social Insurance* contributes to the Unemployment Insurance Fund (UIF) and provides for the compensation of civil servants for accidents or illnesses on duty.
- *Employment and Skills Development Services* focuses on the implementation of the national skills development strategy and contributes to the implementation of the national human resource development strategy.
- *Labour Relations* promotes the establishment of an equitable and peaceful labour relations environment, partly through funding the Commission for Conciliation, Mediation and Arbitration (CCMA).
- *Labour Policy* includes research, analysis, evaluation, and development of labour policy, and the provision of statistical information on the labour market.
- *Service Delivery* includes administrative support, the enforcement of the labour laws, and the provision of an employment service by the provincial and local offices of the Department.
- *Auxiliary and Associated Services* provides mainly for transfers to the National Economic Development and Labour Council (Nedlac) and international organisations.

### Strategic overview and key policy developments: 1998/99 – 2004/05

Employment creation is the biggest challenge facing Government and the key instrument for fighting poverty. The Department's contribution to meeting this challenge is formulating effective labour market policies and providing an enabling environment for creating jobs. The Department also seeks to ensure that existing and new jobs do not place workers' health and safety in jeopardy

by setting and enforcing norms and standards, by designing and managing a sound labour relations regime, by managing the UIF in the interests of people who lose their jobs, and by ensuring that an effective skills development strategy is in place to ensure the increasing productivity of South African labour.

After a period of policy and legislative developments the Department of Labour's 2000–2004 strategic plan stresses the implementation, and the reviewing of the impact, of labour market policies and legislation. Key strategic objectives are:

- Implementing policies, especially the skills development and employment equity strategies
- Enhancing the Department's service delivery through restructuring delivery units and decentralising resources to provincial offices and labour centres (branch offices)
- Protecting vulnerable workers, especially farm and domestic workers, reforming social insurance and protection mechanisms, and regulating health and safety in the workplace
- Monitoring and reviewing labour market policies to maintain a balance between market efficiency and decent labour standards

With regard to implementation, the policy framework and institutional structure for skills development are now in place and implementation is proceeding. Twenty-five Sector Education and Training Authorities (Setas) have been established, a first series of skills and implementation plans have been reviewed, and the skills levy financing mechanism is now operational. With regard to the Employment Equity Act (55 of 1998), a registry of employers has been established, and the analysis of reports submitted by employers in terms of the Act has begun.

The protection of workers was advanced through investigations into a number of sectors and the determination of minimum remuneration and working conditions. Substantial progress was made for agricultural and domestic workers, and a number of initiatives focused on child labour. The implementation of measures to reduce accidents and improve the health and safety of workers is being accelerated.

Draft legislation was passed by Parliament to improve the operation of the UIF and the collection of its revenue. Key objectives are increased coverage, containing costs, and enhancing compliance. The draft legislation addresses the following shortcomings:

- The limited nature of UIF coverage and its lack of financial sustainability
- Weak enforcement and compliance measures
- The rigid benefit structure and the discrimination against certain categories of employees
- The lack of a comprehensive database of contributors

With regard to reviewing policies and legislation, in 2001 Parliament considered the Labour Relations Amendment Bill and the Basic Conditions of Employment Amendment Bill, which improve the efficiency of the labour market. Key imperatives behind the amendments are: creating employment; improving labour market efficiency; promoting and developing small business; improving the protection of vulnerable workers; and addressing investors' negative perceptions.

Amendments to the Labour Relations Act (66 of 1995) aim at allowing the bargaining councils to serve employer and employee parties more effectively, and address the workings of the CCMA.

## Expenditure estimates

Table 28.1: Labour

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
1 Administration	97 578	111 330	95 606	185 955	191 784	172 301	193 288	205 508
2 Occupational Health and Safety of Persons	2 904	3 047	13 355	15 764	12 497	23 972	25 401	27 572
3 Social Insurance	13 739	20 514	17 453	627 111	627 111	337 601	269 201	171 421
4 Employment and Skills Development Services	262 148	343 538	205 932	137 661	118 502	157 917	163 600	173 416
5 Labour Relations	137 776	156 677	149 376	169 471	164 681	175 829	184 467	195 534
6 Labour Policy	22 173	23 399	27 784	26 150	21 653	26 406	27 560	29 319
7 Service Delivery	176 644	190 600	207 424	274 778	265 385	303 973	347 217	392 752
8 Auxiliary and Associated Services	17 326	16 443	14 797	26 153	31 430	18 885	21 334	22 379
<b>Subtotal</b>	<b>730 288</b>	<b>865 548</b>	<b>731 727</b>	<b>1 463 043</b>	<b>1 433 043</b>	<b>1 216 884</b>	<b>1 232 068</b>	<b>1 217 901</b>
<b>Direct charge on the National Revenue Fund</b>								
Revenue Fund	-	-	901 676	2 750 000	2 750 000	2 950 000	3 150 000	3 370 000
Sector Education and Training Authorities	-	-	721 475	2 200 000	2 200 000	2 350 000	2 510 000	2 691 600
National Skills Fund	-	-	180 201	550 000	550 000	600 000	640 000	678 400
<b>Total</b>	<b>730 288</b>	<b>865 548</b>	<b>1 633 403</b>	<b>4 213 043</b>	<b>4 183 043</b>	<b>4 166 884</b>	<b>4 382 068</b>	<b>4 587 901</b>
Change to 2001 Budget Estimate				611 390	581 390	298 449	259 218	

### Economic classification

<b>Current</b>	<b>697 292</b>	<b>817 181</b>	<b>695 346</b>	<b>1 365 318</b>	<b>1 340 318</b>	<b>1 130 428</b>	<b>1 129 125</b>	<b>1 099 821</b>
Personnel	240 192	212 669	224 402	297 785	259 610	306 880	322 537	342 012
Transfer payments	309 132	448 719	300 136	856 295	867 295	577 894	519 932	436 127
Other current	147 968	155 793	170 808	211 238	213 413	245 654	286 656	321 682
<b>Capital</b>	<b>32 996</b>	<b>48 367</b>	<b>36 381</b>	<b>97 725</b>	<b>92 725</b>	<b>86 456</b>	<b>102 943</b>	<b>118 080</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	32 996	48 367	36 381	97 725	92 725	86 456	102 943	118 080
<b>Total</b>	<b>730 288</b>	<b>865 548</b>	<b>731 727</b>	<b>1 463 043</b>	<b>1 433 043</b>	<b>1 216 884</b>	<b>1 232 068</b>	<b>1 217 901</b>

### Standard items of expenditure

Personnel	240 192	212 669	224 402	297 785	259 609	306 880	322 537	342 012
Administrative	47 336	51 978	62 172	94 288	95 257	116 245	146 727	172 003
Inventories	16 851	17 379	11 893	23 853	23 853	25 336	27 306	29 089
Equipment	30 669	46 103	38 838	34 622	34 622	37 354	40 460	42 909
Land and buildings	6 292	4 740	2 962	70 635	65 635	54 903	66 794	79 632
Professional and special services	68 758	66 743	79 032	70 440	71 485	86 830	95 270	101 287
Transfer payments	309 132	448 719	300 136	856 295	867 295	577 894	519 932	436 127
Miscellaneous	11 058	17 217	12 292	15 125	15 287	11 442	13 042	14 842
<b>Total</b>	<b>730 288</b>	<b>865 548</b>	<b>731 727</b>	<b>1 463 043</b>	<b>1 433 043</b>	<b>1 216 884</b>	<b>1 232 068</b>	<b>1 217 901</b>

## Expenditure trends

Activities under the control of the Department 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 R1,2 billion to be appropriated for the Department in 2002/03, these transfers amount to R3 billion.

The Department's adjusted appropriation for 2001/02 shows a substantial increase on the initial appropriation as a result of an allocation of R605 million for the UIF in the 2001 Adjusted Estimates. This is aimed at dealing with the Fund's outstanding debt to the Department for salary expenses and addressing the Fund's persistent deficits.

The increase on the estimates in the 2001 Budget derive mainly from further allocations to the UIF of R320 million, R250 million and R150 million over the medium term. These allocations are to deal with the persistent deficits and to ensure that a turnaround strategy can be put in place to see the UIF return to a cash positive and sustainable position within three years. Smaller baseline adjustments support service delivery improvement in decentralised offices, infrastructural improvements and investments in regional offices, and other departmental activities.

The overall budget of the Department of Labour declines over the medium term as a result of the declining amount allocated to support the UIF over the next three years. Most programmes, however, see substantial growth, with the fastest growth in *Occupational Health and Safety of Persons* to ensure improved law enforcement in this important area. Significant additional capacity is also being put in place in *Administration* and *Service Delivery*.

## Departmental receipts

The Department estimates receipts of non-tax revenue of R5,4 million for 2002/03, R5,3 million for 2003/04, and R5,2 million for 2004/05. The revised estimate for non-tax revenue for 2001/02 amounted to R5,5 million. It is estimated that total departmental receipts will decrease from R11 million in 2001/02 to R8,9 million in 2002/03, because the Department anticipates granting fewer loans and advances in future years.

Table 28.2: Departmental receipts

	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate			
	Audited	Audited	Preliminary		2001/02	2002/03	2003/04	2004/05
	1998/99	1999/00	outcome 2000/01					
R thousand								
<b>Non-tax revenue</b>	<b>4 989</b>	<b>5 632</b>	<b>5 088</b>	<b>5 506</b>	<b>5 353</b>	<b>5 253</b>	<b>5 153</b>	
Property income	2 265	2 815	2 319	3 203	3 004	2 894	2 784	
Sales of goods and services	2 530	2 598	2 525	2 142	2 131	2 141	2 151	
Fines, penalties and forfeits	172	209	236	145	205	205	205	
Miscellaneous	22	10	8	16	13	13	13	
Transactions in non-financial assets (capital revenue)	64	-	-	1	-	-	-	
Financial transactions (recovery of loans and advances)	1 086	11 264	10 266	5 502	3 500	2 300	1 100	
<b>Total departmental receipts</b>	<b>6 139</b>	<b>16 896</b>	<b>15 354</b>	<b>11 009</b>	<b>8 853</b>	<b>7 553</b>	<b>6 253</b>	

## Programme 1: Administration

*Administration* conducts the overall management of the Department. It includes the formulation of policy by the Minister, the Director-General and other members of the Department's management, and exercising control over administrative and human resource functions. Other activities include centralised departmental support services and a public relations service.

## Expenditure estimates

Table 28.3: Administration

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Minister <sup>1</sup>	555	514	578	617	654	690	724
Management	5 431	784	965	11 076	12 746	14 229	15 083
Corporate Services	85 315	105 323	92 975	145 049	128 531	146 632	156 060
Capital Works	6 277	4 709	1 088	29 213	30 370	31 737	33 641
<b>Total</b>	<b>97 578</b>	<b>111 330</b>	<b>95 606</b>	<b>185 955</b>	<b>172 301</b>	<b>193 288</b>	<b>205 508</b>
Change to 2001 Budget Estimate				37 143	(1 641)	(1 822)	

<sup>1</sup> Payable as from 1 April 2001. Salary: R493 320. Car allowance: R123 331.

### Economic classification

	74 448	70 134	72 889	107 031	117 277	133 620	142 192
<b>Current</b>							
Personnel	27 189	26 233	28 061	33 597	38 618	43 204	46 535
Transfer payments	–	–	–	–	–	–	–
Other current	47 259	43 901	44 828	73 434	78 659	90 416	95 657
<b>Capital</b>	<b>23 130</b>	<b>41 196</b>	<b>22 717</b>	<b>78 924</b>	<b>55 024</b>	<b>59 668</b>	<b>63 316</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	23 130	41 196	22 717	78 924	55 024	59 668	63 316
<b>Total</b>	<b>97 578</b>	<b>111 330</b>	<b>95 606</b>	<b>185 955</b>	<b>172 301</b>	<b>193 288</b>	<b>205 508</b>

### Standard items of expenditure

Personnel	27 189	26 233	28 061	33 597	38 618	43 204	46 535
Administrative	9 055	10 345	11 718	25 163	32 047	35 714	37 909
Inventories	3 084	4 380	1 523	2 750	2 683	2 863	3 030
Equipment	17 163	36 487	22 550	15 821	16 535	17 773	18 890
Land and buildings	6 277	4 734	2 955	70 473	41 405	45 105	47 811
Professional and special services	34 354	28 748	28 575	38 135	40 213	47 829	50 533
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	456	403	224	16	800	800	800
<b>Total</b>	<b>97 578</b>	<b>111 330</b>	<b>95 606</b>	<b>185 955</b>	<b>172 301</b>	<b>193 288</b>	<b>205 508</b>

## Policy developments

The Department is negotiating a public-private partnership project with Siemens aimed at improving the effectiveness and efficiency of its information and communication services. An electronic 'one-stop' service will make provision for integrated systems, call centres, remote access terminals and a central database, facilitating electronic transactions between the Department and its clients. The tender and selection processes are currently being audited and a due diligence study has begun.

## Expenditure trends

In 2001/02, allocations to Capital Works, which were previously reflected on the Public Works Vote, became part of this programme. This accounts for the large increase in 2001/02.

The strong growth of current expenditure over the medium term goes towards strengthening Corporate Services. The programme's share thus increases from 14,2 per cent of expenditure in 2002/03 to 16,9 per cent in 2004/05. The start of the public-private partnership project will see allocations for information technology (IT) centralised into this programme.

## Programme 2: Occupational Health and Safety of Persons

*Occupational Health and Safety of Persons* promotes health and safety at work, in the use of plant and machinery. This is done through research, legislative interventions and international exchange. Programme functions are organised into six subprogrammes:

- Auditing and Technical Support to Provinces supports the Department's enforcement function.
- Administrative Functions administers all approval and registration functions for diving, electrical installation and other occupational health and safety regulations, as well as certificates of competency.
- Research provides data for the effective protection of the health and safety of employees.
- Services Rendered to Other Countries provides training and information services to other African countries.
- Training of Staff makes provision for departmental training requirements.
- Administrative Auxiliary Services provides management support to the programme.

### Expenditure estimates

Table 28.4: Occupational Health and Safety of Persons

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited Preliminary outcome		Adjusted appropriation			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Auditing and Technical Support to Provinces	-	-	4 850	5 625	16 817	17 868	19 186
Administrative Functions	316	1 067	467	2 982	811	848	895
Research	2	2	5 140	311	-	-	-
Services Rendered to Other Countries	-	-	-	8	-	-	-
Training of Staff	617	634	934	3 660	1 476	1 604	2 141
Administrative Auxiliary Services	1 969	1 344	1 964	3 178	4 868	5 081	5 350
<b>Total</b>	<b>2 904</b>	<b>3 047</b>	<b>13 355</b>	<b>15 764</b>	<b>23 972</b>	<b>25 401</b>	<b>27 572</b>
Change to 2001 Budget Estimate				(3 286)	1 737	(156)	
<b>Economic classification</b>							
<b>Current</b>	<b>2 857</b>	<b>2 852</b>	<b>13 080</b>	<b>13 519</b>	<b>23 124</b>	<b>24 468</b>	<b>26 547</b>
Personnel	1 354	1 059	3 885	6 102	8 985	9 077	9 243
Transfer payments	-	-	-	-	-	-	-
Other current	1 503	1 793	9 195	7 417	14 139	15 391	17 304
<b>Capital</b>	<b>47</b>	<b>195</b>	<b>275</b>	<b>2 245</b>	<b>848</b>	<b>933</b>	<b>1 025</b>
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	47	195	275	2 245	848	933	1 025
<b>Total</b>	<b>2 904</b>	<b>3 047</b>	<b>13 355</b>	<b>15 764</b>	<b>23 972</b>	<b>25 401</b>	<b>27 572</b>
<b>Standard items of expenditure</b>							
Personnel	1 354	1 059	3 885	6 102	8 985	9 077	9 243
Administrative	934	490	1 306	1 979	2 711	2 958	3 631
Inventories	61	334	231	1 799	1 274	1 396	1 533
Equipment	47	195	290	2 245	248	273	299
Land and buildings	-	-	-	-	600	660	726
Professional and special services	486	955	7 615	3 639	10 154	11 037	12 140
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	22	14	28	-	-	-	-
<b>Total</b>	<b>2 904</b>	<b>3 047</b>	<b>13 355</b>	<b>15 764</b>	<b>23 972</b>	<b>25 401</b>	<b>27 572</b>

## Policy developments

In 1999, Cabinet approved the integration of the various occupational health and safety competencies that are currently divided between the departments of Health, Labour, and Minerals and Energy. A process has been initiated to give effect to this, and it is anticipated that the integration of the legislative and enforcement processes will enable more effective and extensive service delivery. The inspection functions currently housed within the different departments will be transferred to the Department of Labour with the necessary human and financial resources.

## Expenditure trends

The strong increase in expenditure on this programme after 2001/02 is mainly attributable to increased training necessitated by the Department's adoption of the integrated inspection strategy.

## Key outputs, indicators and targets

### Occupational Health and Safety of Persons

Subprogramme	Output	Output measure/indicator	Target
Auditing and Technical Support to Provinces	Auditing and specialised inspection services for provincial offices	Appointment of approved inspection authorities	Authorities appointed in each of the 10 provincial offices
	Licensing of workplaces which manufacture explosives	All such workplaces duly licensed	Reduce number of incidents by 20%
Research	Research proposals on problem areas and causes of incidents	Approved research proposals and technical reports published	Research conducted into 80% of all proposals
			Technical investigation conducted into all incidents where required
Training of Staff	Learner inspectors training scheme	Number of students completing the training successfully	80% of all students successfully complete the training

During 2000/01, 10 060 inspections were conducted at workplaces and 21 at explosives factories, and 1 179 licences were issued. Sets of regulations, with guidelines, were completed for asbestos, lead, diving, and hazardous biological agents. Nearly 600 electricians, and 766 divers, diving supervisors and diving medical practitioners were registered. A guideline document was completed for the Southern African Development Community (SADC) to ensure safe working practices for transporting hazardous substances across borders. To enhance inspection capacity, 30 inspectors were trained in occupational health and safety legislation and 53 in electrical installations.

## Programme 3: Social Insurance

*Social Insurance* provides for administrative and other support to the UIF and the Compensation Fund, and administers the two funds on an agency basis. The UIF provides unemployment insurance to workers in the formal sector, while the Compensation Fund provides for the medical expenses of government officials who sustain injuries and diseases while on duty.

## Expenditure estimates

Table 28.5: Social Insurance

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Unemployment Insurance	7 000	7 000	7 000	612 001	327 001	257 001	157 421
Compensation Fund	6 739	13 514	10 453	15 110	10 600	12 200	14 000
<b>Total</b>	<b>13 739</b>	<b>20 514</b>	<b>17 453</b>	<b>627 111</b>	<b>337 601</b>	<b>269 201</b>	<b>171 421</b>
Change to 2001 Budget Estimate				605 000	314 765	245 732	
<b>Economic classification</b>							
<b>Current</b>	<b>13 739</b>	<b>20 514</b>	<b>17 453</b>	<b>627 111</b>	<b>337 601</b>	<b>269 201</b>	<b>171 421</b>
Personnel	-	-	-	2	2	2	2
Transfer payments	7 000	7 000	7 000	612 000	327 000	257 000	157 420
Other current	6 739	13 514	10 453	15 109	10 599	12 199	13 999
<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>13 739</b>	<b>20 514</b>	<b>17 453</b>	<b>627 111</b>	<b>337 601</b>	<b>269 201</b>	<b>171 421</b>
<b>Standard items of expenditure</b>							
Personnel	-	-	-	2	2	2	2
Administrative	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Land and buildings	-	-	-	-	-	-	-
Professional and special services	-	-	-	-	-	-	-
Transfer payments	7 000	7 000	7 000	612 000	327 000	257 000	157 420
Miscellaneous	6 739	13 514	10 453	15 109	10 599	12 199	13 999
<b>Total</b>	<b>13 739</b>	<b>20 514</b>	<b>17 453</b>	<b>627 111</b>	<b>337 601</b>	<b>269 201</b>	<b>171 421</b>

## Policy developments

In 2001, the Minister of Labour tabled legislation to strengthen the administration of the UIF, target benefits more effectively at the poor, and extend the coverage of the scheme. The Unemployment Insurance and the Unemployment Insurance Contributions Bills are expected to be implemented early in 2002/03. The UIF and the South African Revenue Service (SARS) will start pilot runs to implement integrated revenue collection as soon as the new Unemployment Insurance Contributions Bill has been promulgated. New measures have been put in place to minimise fraud, and cases are investigated regularly by a fraud unit.

Amendments to the Compensation for Occupational Injuries and Diseases Act (130 of 1993), including cover for domestic workers and the integration of compensation competencies from the departments of Health, and Minerals and Energy, are under consideration.

## Expenditure trends

The UIF is funded from a payroll tax of 1 per cent on employers and 1 per cent on employees. Until 2001/02, Government's annual contribution was limited to R7 million for administrative expenditures. Persistent deficits on the fund and the need to put in place a turnaround strategy have seen the allocation of substantial amounts over the medium term, conditional on successful reform.

The budget for the programme declines with the falling annual contributions to the UIF.

Medical expenses paid by the Department of Labour to the Compensation Fund for injured government officials are projected to grow over the medium term, but from a low base.

## Key outputs, indicators and targets

### Social Insurance

Subprogramme	Output	Output measure/indicator	Target
Unemployment Insurance	Effective and sustainable UIF	New Unemployment Insurance Act	Promulgated by 1 April 2002
		Inclusion of domestic and seasonal workers in the UIF	Finalisation of investigation and proposals
	Good standard of services to UIF clients	Effective revenue collection	Fund revenue flows improve
		Electronic benefit payment system	Implementation by September 2002
		Processing time for membership and benefit applications	Issue UF74 (blue card) within a week of receipt of application
Compensation Fund	High level service delivery	An effective credit management system	Implemented 1 March 2002
		Compensation for injuries and diseases	Payment of benefits and duration of delays in payment
		Country wide access to claims information and timely finalisation	Claims enquiry system decentralised to provincial offices and labour centres

## Programme 4: Employment and Skills Development Services

*Employment and Skills Development Services* promotes and regulates the national skills development strategy in terms of the Skills Development Act (97 of 1998) and the Skills Development Levies Act (9 of 1999) through the following subprogrammes:

- National Skills Authority ensures the effective functioning of the Setas and the National Skills Authority (NSA) and promotes the national skills development strategy through various media.
- Skills Development Funding ensures the flow of funds from SARS to the National Skills Fund and the Setas, their collection and distribution of funds, and the disbursement of grants by Setas and subsidies by the National Skills Fund.
- The Skills Development Planning Unit supports the alignment of skills development policy, strategy and plans with economic and employment growth and social development. It also monitors performance against sector and provincial plans, and evaluates the impact of the national skills development strategy.
- Indlela aims to develop a learnership system, increase access to work based qualifications, and render assessments at different levels and in many fields of learning.
- Employment Services ensures the implementation of the Labour Market Skills Development Programme and the placement of work seekers through provincial offices and labour centres.
- The Programme Management Unit provides effective project management resources and services for the programme as a whole.
- Sheltered Employment subsidises workshops for the blind and work centres for the disabled.
- Training of Staff funds staff training programmes and ensures availability of relevant skills for implementing the legislation.
- Administrative Auxiliary Services provides support services to the programme.

## Expenditure estimates

Table 28.6: Employment and Skills Development Services

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
National Skills Authority	4 354	4 098	5 667	12 774	21 598	21 579	22 874
Skills Development Funding	204 441	267 410	107 007	28 404	40 116	45 102	47 407
Skills Development Planning Unit	496	2 433	3 600	6 743	7 508	7 500	7 950
Indlela	20 879	20 801	21 688	23 548	27 660	28 678	30 399
Employment Services	6 038	5 046	27 562	16 195	9 106	9 340	9 900
Programme Management Unit	603	945	2 041	5 942	6 087	5 988	6 347
Sheltered Employment	22 276	37 826	33 661	37 252	38 725	38 245	40 940
Training of Staff	39	89	82	1 600	1 725	1 743	1 848
Administrative Auxiliary Services	3 022	4 890	4 624	5 203	5 392	5 425	5 751
<b>Total</b>	<b>262 148</b>	<b>343 538</b>	<b>205 932</b>	<b>137 661</b>	<b>157 917</b>	<b>163 600</b>	<b>173 416</b>
Change to 2001 Budget Estimate				(12 442)	-	-	
<b>Economic classification</b>							
<b>Current</b>	<b>258 411</b>	<b>341 557</b>	<b>203 935</b>	<b>132 122</b>	<b>150 930</b>	<b>156 271</b>	<b>165 647</b>
Personnel	55 474	27 721	28 769	39 040	43 483	45 307	48 025
Transfer payments	166 238	280 779	133 357	63 213	68 697	72 954	77 331
Other current	36 699	33 057	41 809	29 869	38 750	38 010	40 291
<b>Capital</b>	<b>3 737</b>	<b>1 981</b>	<b>1 997</b>	<b>5 539</b>	<b>6 987</b>	<b>7 329</b>	<b>7 769</b>
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	3 737	1 981	1 997	5 539	6 987	7 329	7 769
<b>Total</b>	<b>262 148</b>	<b>343 538</b>	<b>205 932</b>	<b>137 661</b>	<b>157 917</b>	<b>163 600</b>	<b>173 416</b>
<b>Standard items of expenditure</b>							
Personnel	55 474	27 721	28 769	39 040	43 483	45 307	48 025
Administrative	6 565	3 270	4 921	9 531	13 987	14 665	15 545
Inventories	8 268	4 294	4 687	10 005	11 870	12 392	13 136
Equipment	7 198	2 518	2 634	5 539	6 987	7 329	7 769
Land and buildings	1	-	-	126	895	935	991
Professional and special services	17 539	24 502	31 306	10 207	11 998	10 018	10 619
Transfer payments	166 238	280 779	133 357	63 213	68 697	72 954	77 331
Miscellaneous	865	454	258	-	-	-	-
<b>Total</b>	<b>262 148</b>	<b>343 538</b>	<b>205 932</b>	<b>137 661</b>	<b>157 917</b>	<b>163 600</b>	<b>173 416</b>

## Policy developments

A national skills development strategy was adopted in February 2001 at a national skills conference. It aims to meet the following key objectives over the next five years:

- Develop a culture of quality, life-long learning
- Foster skills development in the formal economy for productivity and employment growth
- Stimulate and support skills development in small business
- Promote skills development for employability and sustainable livelihood
- Assist new entrants to the labour market

Over the medium term, the Department of Labour will focus on these objectives, working in close partnership with the Setas and with provincial stakeholders.

In relation to the skills development legislation, to date, 60 per cent of the companies liable to pay skills levies have registered, and a concerted effort will be made to increase the number of registrations to at least 90 per cent in the medium term.

### Expenditure trends

The decline in the programme's expenditure between 1998/99 and 2001/02 is the result of the shifting of funding for skills development away from the Department's operational budget to the skills levy funding. However, there is an increase in departmental funding of skills development from 2002/03.

Skills levy revenues collected between April 2001 and November 2001 amounted to R1,5 billion. Of this, R1,2 billion was transferred to the Setas and R300 million to the National Skills Fund.

### Key outputs, indicators and targets

#### Employment and Skills Development Services

Subprogramme	Output	Output measure/indicator	Target
Skills Development Planning Unit	Launch and monitor the national skills development strategy	Alignment of skills development policy, strategy and plans, with economic and employment growth and social development	Review and finalise the Sector Skills Plans Evaluate implementation of skills strategies (national, sector, provincial and workplace levels) Establish and maintain the Skills Development Information System Launch the Investors in People project
Indlela	Increased access to work based qualifications	Systems for regulating learnerships and skills programmes established	Systems, procedures and guidelines for the development, registration and quality assurance of skills programmes finalised Provision of support, advice and information
Employment Services	Promote skills development for employability and sustainable livelihoods through social development initiatives in all 10 provincial offices	Integrated implementation of the Labour Market Skills Development Programme and placement through provinces and labour centres	March 2003: 100% of the National Skills Fund apportioned for social development spent on viable development projects March 2003: Regulation of private employment agencies March 2003: Review cross-border labour migration March 2004: Social Plan Services in 10 offices March 2005: National Skills Fund measured by project type and duration, including details of placement rates (at least 70%)
Sheltered Employment	Appropriate and sustainable factories	Restructuring of sheltered employment factories	November 2002: Conclude investigation and develop a turnaround strategy

The skills development levies are collected by SARS and deposited into the National Revenue Fund.

Service level agreements with all 10 provincial offices have been entered into. Two youth projects in Mpumalanga and the North West, a Skills Development Initiative in KwaZulu-Natal and an Industry Development Zone in the Eastern Cape have been supported.

In relation to Indlela, regulations were published for registering learnerships. The framework and draft manual for establishing learnerships were also completed. Thirteen Setas have achieved accreditation as Education and Training Quality Assurers and 12 have submitted their applications to the South African Qualifications Authority (SAQA). Nearly 120 learnerships have been drafted, and 15 were registered and are ready for implementation. Setas identified 490 learnerships to be developed.

The performance of the sheltered employment factories was also monitored and a tender for a feasibility study to establish a new framework for the 13 sheltered employment factories was awarded and completed.

## Programme 5: Labour Relations

*Labour Relations* aims to establish an equitable and peaceful labour relations environment through developing and enhancing legislation. The programme has seven subprogrammes:

- Collective Bargaining administers the Labour Relations Act and 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. 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, 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 28.7: Labour Relations

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01	Adjusted appropriation 2001/02	2002/03	2003/04	2004/05
R thousand							
Collective Bargaining	2 986	2 572	3 980	7 139	5 631	5 904	6 258
Employment Standards	2 599	4 493	2 686	6 787	5 440	5 671	6 011
Inspections and Advisory Services	–	–	373	–	–	–	–
Prevention and Settlement of Disputes	122 249	136 683	131 059	136 616	145 740	152 539	161 691
Employment Equity	1 958	3 310	1 903	8 229	8 118	9 661	10 241
Strengthening Civil Society	5 451	6 000	6 500	7 570	8 130	7 932	8 408
Training of Staff	232	187	270	310	310	289	306
Administrative Auxiliary Services	2 301	3 432	2 580	2 820	2 460	2 471	2 619
International Labour Matters	–	–	25	–	–	–	–
<b>Total</b>	<b>137 776</b>	<b>156 677</b>	<b>149 376</b>	<b>169 471</b>	<b>175 829</b>	<b>184 467</b>	<b>195 534</b>
Change to 2001 Budget Estimate				3 956	–	–	
<b>Economic classification</b>							
<b>Current</b>	<b>137 557</b>	<b>156 395</b>	<b>148 915</b>	<b>169 143</b>	<b>175 281</b>	<b>183 959</b>	<b>194 996</b>
Personnel	13 304	11 189	9 968	13 530	11 184	11 747	12 452
Transfer payments	111 403	134 000	133 500	144 186	153 870	160 471	170 099
Other current	12 850	11 206	5 447	11 427	10 227	11 741	12 445
<b>Capital</b>	<b>219</b>	<b>282</b>	<b>461</b>	<b>328</b>	<b>548</b>	<b>508</b>	<b>538</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	219	282	461	328	548	508	538
<b>Total</b>	<b>137 776</b>	<b>156 677</b>	<b>149 376</b>	<b>169 471</b>	<b>175 829</b>	<b>184 467</b>	<b>195 534</b>

R thousand	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
	1998/99	1999/00	outcome				
			2000/01	2001/02	2002/03	2003/04	2004/05
<b>Standard items of expenditure</b>							
Personnel	13 304	11 189	9 968	13 530	11 184	11 747	12 452
Administrative	1 781	2 478	1 247	1 690	1 645	1 684	1 785
Inventories	2 597	3 490	1 507	4 617	2 220	2 555	2 708
Equipment	219	325	461	328	548	508	538
Land and buildings	5	-	-	-	-	-	-
Professional and special services	7 985	5 038	2 621	5 120	6 362	7 502	7 952
Transfer payments	111 403	134 000	133 500	144 186	153 870	160 471	170 099
Miscellaneous	482	157	72	-	-	-	-
<b>Total</b>	<b>137 776</b>	<b>156 677</b>	<b>149 376</b>	<b>169 471</b>	<b>175 829</b>	<b>184 467</b>	<b>195 534</b>

## Policy developments

At the time of publication, Parliament had approved amendments to the Labour Relations Act and the Basic Conditions of Employment Act. These amendments seek to improve the application of the Acts, align them with labour market realities, and ensure that they facilitate job-creation.

The next period will be devoted to ensuring the successful implementation of the amendments, including new regulations and the adjustment of CCMA processes. These will speed up dispute resolution through a one-stage conciliation and arbitration process. Less cumbersome retrenchment procedures are also to be developed.

Minimum wages and minimum conditions of employment for vulnerable workers will continue to be rolled out. In 2002/03 the focus will be on farm and domestic workers, now subject to minimum conditions for the first time. New determinations in a number of sectors are also envisaged.

The first annual report of the Commission for Employment Equity was published in August 2001, showing slow progress towards equity, leading to an increased focus on obstacles and providing support to employers.

## Expenditure trends

Programme expenditure is dominated by transfer payments, mainly to the CCMA, which comprise about 83 per cent of programme allocation in 2002/03. Allocations remain constant in real terms over the medium term.

## Key outputs, indicators and targets

### Labour Relations

Subprogramme	Output	Output measures/indicator	Target
Collective Bargaining	Improved operation of Labour Relations Act and aligned with labour market changes	Finalisation of amendments to the Labour Relations Act	Promulgation of amendments by mid-2002
	Efficient registration and monitoring of labour organisations	Deregistration of identified non-bona fide unions	50 per cent deregistered by April 2003
	Support for bargaining councils, including transformation	Establishment of bargaining councils and introduction of improved systems for levy collection, benefits and benefit fund administration, collective bargaining processes, and enforcement of agreements	1 council with finalised transformation process per year 1 new council set up per year Improved systems implemented

Subprogramme	Output	Output measures/indicator	Target
Employment Standards	Improved operation of Basic Conditions of Employment Act and aligned with labour market changes	Finalisation and implementation of legislative amendments to Basic Conditions of Employment Act	Promulgated by mid-2002
Prevention and Settlement of Disputes	Effective and efficient system of dispute resolution	Labour Relations Act amendments relating to the operations of the CCMA	Promulgation of amendments by mid-2002
Employment Equity	Implement Employment Equity Act and promote equity	Regular reports	Regular reports and award system introduced
Strengthening Civil Society	Strengthen role of civil society institutions in labour market	Support to unions and civil society organisations	Adequate funding to secure the operations of the entities

Visions and key strategies for bargaining councils have been determined. In 2001, there were 485 registered unions, 3 939 075 members, 265 employers' organisations, and 73 bargaining councils (68 for the private sector and 5 for the public sector). One new bargaining council collective agreement and 21 agreement amendments were published. Private sector bargaining councils together administered 53 collective agreements.

A total of 22,2 per cent of disputes referred to bargaining councils were settled. Where councils were not yet accredited, unresolved disputes were referred to the CCMA or were settled by the parties themselves. The CCMA improved its settlement rate for conciliations to 73 per cent of cases heard. Between April and September 2001, the daily average number of referrals was 477. A total of 67 per cent of cases conciliated within the statutory timeframes were finalised, and there are on average 212 arbitrations per day.

Regarding employment equity: a database of designated employers was created; a public registry of all employers who complied with the requirements of the Employment Equity Act was published; and one national and one provincial summit were held. To protect workers living with disabilities or HIV/Aids, codes for disability and HIV/Aids were approved.

In respect of the Strengthening Civil Society initiatives, an agreement was signed with the trade union training institute to secure funding. A funding arrangement was also negotiated with the Commissioner of the Compensation Fund. Provincial officials were trained to appraise project applications.

## Programme 6: Labour Policy

*Labour Policy* undertakes and manages commissioned research and collects, analyses and disseminates labour market statistics and information, to evaluate, monitor and inform policy and legislation in the Department of Labour and in Government in general. Activities are organised through seven subprogrammes:

- Research, Policy and Planning manages and commissions research, and monitors and evaluates labour market conditions in South Africa 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 labour market.
- Publications is responsible for printing and disseminating reports, papers and policy documents.
- Promotion of Productivity provides funding to the National Productivity Institute (NPI).
- Training of Staff provides capacity building to the programme.
- Administrative Auxiliary Services provides support services to the programme.

## Expenditure estimates

Table 28.8: Labour Policy

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Research, Policy and Planning	2 155	1 266	1 411	1 915	1 966	2 007	2 188
Library Services	19	236	431	590	518	567	618
Labour Market Statistics	676	742	1 168	1 682	1 606	1 741	1 881
Publications	64	3	60	115	115	127	140
Promotion of Productivity	18 000	20 440	19 275	20 499	20 961	21 834	23 144
Training of Staff	20	10	11	106	85	75	80
Administrative Auxiliary Services	1 239	702	5 428	1 243	1 155	1 209	1 268
<b>Total</b>	<b>22 173</b>	<b>23 399</b>	<b>27 784</b>	<b>26 150</b>	<b>26 406</b>	<b>27 560</b>	<b>29 319</b>
Change to 2001 Budget Estimate				213	(499)	(540)	

### Economic classification

<b>Current</b>	<b>22 046</b>	<b>23 332</b>	<b>22 436</b>	<b>25 935</b>	<b>26 166</b>	<b>27 362</b>	<b>29 053</b>
Personnel	2 172	2 236	1 934	3 251	3 010	3 091	3 169
Transfer payments	18 000	20 440	19 275	20 499	20 961	21 834	23 144
Other current	1 874	656	1 227	2 185	2 195	2 437	2 740
<b>Capital</b>	<b>127</b>	<b>67</b>	<b>5 348</b>	<b>215</b>	<b>240</b>	<b>198</b>	<b>266</b>
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	127	67	5 348	215	240	198	266
<b>Total</b>	<b>22 173</b>	<b>23 399</b>	<b>27 784</b>	<b>26 150</b>	<b>26 406</b>	<b>27 560</b>	<b>29 319</b>

### Standard items of expenditure

Personnel	2 172	2 236	1 934	3 251	3 010	3 091	3 169
Administrative	295	257	173	775	582	626	686
Inventories	124	195	172	378	341	365	483
Equipment	150	95	5 348	215	215	257	234
Land and buildings	-	4	-	25	25	32	38
Professional and special services	1 406	148	874	1 007	1 229	1 312	1 522
Transfer payments	18 000	20 440	19 275	20 499	20 961	21 834	23 144
Miscellaneous	26	24	8	-	43	43	43
<b>Total</b>	<b>22 173</b>	<b>23 399</b>	<b>27 784</b>	<b>26 150</b>	<b>26 406</b>	<b>27 560</b>	<b>29 319</b>

## Policy developments

The creation of a Standard Employment Database in conjunction with Statistics South Africa, SARS and other organs of Government, aims at centralising the collection of labour market information. Labour Market Information Collection Units have also been established in provincial offices to identify labour market trends at an early stage to allow for proactive response.

## Expenditure trends

After being fairly stable in real terms between 1998/999 and 2001/02, the allocation to *Labour Policy* grows in real terms over the medium term. Transfer payments, mostly the contribution to the National Productivity Institute (NPI), account for an average of 79 per cent of the budget over the medium term. The real growth of the programme is primarily related to the increasing allocation to the NPI.

## Key outputs, indicators and targets

### Labour Policy

Subprogramme	Output	Output measure/indicator	Target
Research, Policy and Planning	Analysis of impact of policies on the labour market	Number and quality of policy research papers and projects	9 research papers or projects by the end of 2002/2003
Labour Market Statistics	Statistical databases on labour	Data on strikes, retrenchments, work seekers and wage settlements	4 databases maintained by end of 2002/03
	Modernised data dissemination	Integrated database	90% of data dissemination modernised by end of 2002/03
Publications	Quarterly and annual publications	Reports produced timeously	Quarterly report on strikes, job seekers and UIF trends, and the 'Bulletin of Economic Indicators' First report on retrenchments  5 statistical reports on labour issues

Nineteen research papers were completed in 2001/02. Studies on the 'casualisation' of the retail sector, cross-border migration, and the agricultural sector have been initiated, and will be completed by 2002/03.

The IT systems of Library Services have been improved to facilitate the sharing of information. Technical support on labour market data has been provided to other programmes and to provinces, including for employment equity reports, staff surveys, and cross-border migration and general migration data.

## Programme 7: Service Delivery

*Service Delivery* aims to implement and enforce the various labour laws, and to provide a one-stop service through business units in the Department's provincial offices. Programme activities ensure that labour laws are strictly implemented and enforced for the benefit of the employed, as well as the under-employed and unemployed. There are five subprogrammes:

- Management Support Services provides for managing the provincial offices and labour centres.
- Beneficiary Services provides services to unemployed people and people injured on duty, in accordance with the relevant legislation, by administering, processing and finalising applications for payment.
- Employment Services facilitates access to employment and income generating opportunities for the under-employed and unemployed.
- 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 monitors developments in the labour market through analysing the impact of legislation and the performance of job creation programmes.

## Expenditure estimates

Table 28.9: Service Delivery

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Management Support Services	59 668	68 439	68 364	84 876	98 346	115 212	130 514
Beneficiary Services	–	–	–	1	1	1	1
Employment Services	52 453	50 409	52 030	64 960	69 848	72 257	76 592
Inspection and Enforcement Services	64 523	71 687	82 875	111 798	121 663	144 452	169 432
Labour Market Information and Statistics	–	65	4 155	13 143	14 115	15 295	16 213
<b>Total</b>	<b>176 644</b>	<b>190 600</b>	<b>207 424</b>	<b>274 778</b>	<b>303 973</b>	<b>347 217</b>	<b>392 752</b>
Change to 2001 Budget Estimate				18 111	29 720	59 558	

### Economic classification

<b>Current</b>	<b>172 770</b>	<b>185 954</b>	<b>202 377</b>	<b>264 463</b>	<b>281 213</b>	<b>312 960</b>	<b>347 640</b>
Personnel	139 140	142 836	151 503	200 133	197 608	205 950	218 307
Transfer payments	–	–	–	–	–	–	–
Other current	33 630	43 118	50 874	64 330	83 605	107 010	129 333
<b>Capital</b>	<b>3 874</b>	<b>4 646</b>	<b>5 047</b>	<b>10 315</b>	<b>22 760</b>	<b>34 257</b>	<b>45 112</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	3 874	4 646	5 047	10 315	22 760	34 257	45 112
<b>Total</b>	<b>176 644</b>	<b>190 600</b>	<b>207 424</b>	<b>274 778</b>	<b>303 973</b>	<b>347 217</b>	<b>392 752</b>

### Standard items of expenditure

Personnel	139 140	142 836	151 503	200 133	197 608	205 950	218 307
Administrative	22 252	29 080	36 149	48 150	58 272	82 350	103 193
Inventories	2 619	4 680	3 737	4 237	6 881	7 665	8 125
Equipment	3 874	4 646	7 019	10 315	12 760	14 257	15 112
Land and buildings	9	2	7	11	11 978	20 062	30 066
Professional and special services	6 414	6 973	7 841	11 932	16 474	16 933	17 949
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	2 336	2 383	1 168	–	–	–	–
<b>Total</b>	<b>176 644</b>	<b>190 600</b>	<b>207 424</b>	<b>274 778</b>	<b>303 973</b>	<b>347 217</b>	<b>392 752</b>

## Policy developments

*Service Delivery* has to enhance the delivery of its existing services and also ensure that the labour legislation is implemented effectively. Areas that will receive attention are:

- Collecting UIF contributions from smaller employers
- Placing workers, identifying opportunities for self-employment and administering learnerships
- Enforcing the Occupational Health and Safety, and Employment Equity Acts more aggressively
- Advocating new sectoral determinations, including those for farm and domestic workers and the retail sector, and enforcing them

The appointment of staff, procuring of appropriate infrastructure and the restructuring of the organisation are being pursued to ensure efficient service delivery.

## Expenditure trends

*Service Delivery* expenditure is set to grow in real terms over the medium term to allow for decentralisation, the appointment of staff, and to improve service delivery.

## Key outputs, indicators and targets

### Service Delivery

Subprogramme	Output	Output measure/indicator	Target
Beneficiary Services	Effective administration of Compensation for Occupational Injuries and Diseases Act and UIF applications	Accurate and speedy processing of compensation applications	Compensation applications to Commissioner in 5 working days
		Turnaround time for UIF applications	5 days to finalise enquiries by phone or letter Applications finalised for payment within 6 weeks of receipt
		Fraud prevented and money recovered	Provincial fraud prevention plan instituted Follow up all fraudulent payments from UIF
Employment Services	Provide strategic direction and recommendations on skills development training projects	Trained unemployed persons become self-employed, employers, or successful employees	70% of trained unemployed persons to have gained income generating opportunities Approve 90% of proposals for skills projects for the unemployed by 6 weeks of receipt Quarterly visits to training providers 2 information workshops per year per province to service providers and social partners
		Training and placement of the unemployed	Job training and bursaries for disabled 75% of clients provided with life-skills training Continued evaluation of all registered private employment agencies on the database Recommendations on work permits to Home Affairs in 10 working days
		Assessment of private employment agencies Support to would-be migrants with scarce skills	
Inspection and Enforcement Services	Provide advocacy, information, advice and run campaigns	Employers and employees informed about their rights and obligations	60% of both employers and employees informed of their rights in terms of all labour legislation
	Proactive and reactive inspections	Inspections undertaken	10 inspections per inspector per week Inspections completed in 30 days of request
	Enforce relevant labour laws	Follow up on non-complying employers	Compliance order and undertakings enforced within 21 days
	Administer legislation at provincial level	Reporting of and follow-up on incidents or accidents	80% of incidents are finalised within 30 days
Labour Market Information and Statistics	Provide data	Quantitative reports provided	Monthly reports
	Research projects	Labour law impact studies Updated employer database	Produce at least 1 research report annually Quarterly updates
	Improved service delivery	Regular client satisfaction surveys	1 client survey per province per year All enquiries responded to within 7 days
	Information for strategic planning	Availability of data and analysis to provincial stakeholders	Annual supply of updated labour market data

*Service Delivery* was successfully implemented and integrated into the organisational structure of the Department, as was the creation of five business units in each of the 10 provincial offices. Provincial Skills Development Forums were established in all the provinces and consultations and information sessions for the investigation into agricultural workers were facilitated.

Inspection services were integrated to give effect to the envisaged one-stop service. Sector Skills Plans and provincial implementation plans were completed for Employment Services. An investigation was conducted, mainly in urban areas, on trends in wages and conditions of employment for domestic workers.

## Programme 8: Auxiliary and Associated Services

*Auxiliary and Associated Services* provides for certain activities and funding that does not clearly fall under any of the other functional areas. The National Economic Development and Labour Council 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. International Labour Matters interacts with international labour relations organisations; ratifies, monitors and reports on international labour conventions; and maintains and supports essential labour attachés.

## Expenditure estimates

Table 28.10: Auxiliary and Associated Services

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Government Motor Transport	1 862	1 828	–	–	–	–	–
National Economic Development and Labour Council	6 491	6 500	6 729	16 397	7 366	7 673	8 133
International Labour Matters	8 946	7 866	7 712	9 756	11 519	13 661	14 246
Sector Education and Training Authority	–	–	275	–	–	–	–
Authorised Losses	27	249	81	–	–	–	–
<b>Total</b>	<b>17 326</b>	<b>16 443</b>	<b>14 797</b>	<b>26 153</b>	<b>18 885</b>	<b>21 334</b>	<b>22 379</b>
Change to 2001 Budget Estimate				12 695	4 367	6 446	
<b>Economic classification</b>							
<b>Current</b>	<b>15 464</b>	<b>16 443</b>	<b>14 261</b>	<b>25 994</b>	<b>18 836</b>	<b>21 284</b>	<b>22 325</b>
Personnel	1 559	1 395	282	2 130	3 990	4 159	4 279
Transfer payments	6 491	6 500	7 004	16 397	7 366	7 673	8 133
Other current	7 414	8 548	6 975	7 467	7 480	9 452	9 913
<b>Capital</b>	<b>1 862</b>	<b>–</b>	<b>536</b>	<b>159</b>	<b>49</b>	<b>50</b>	<b>54</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	1 862	–	536	159	49	50	54
<b>Total</b>	<b>17 326</b>	<b>16 443</b>	<b>14 797</b>	<b>26 153</b>	<b>18 885</b>	<b>21 334</b>	<b>22 379</b>
<b>Standard items of expenditure</b>							
Personnel	1 559	1 395	282	2 130	3 990	4 159	4 279
Administrative	6 454	6 058	6 658	7 000	7 001	8 730	9 254
Inventories	98	6	36	67	67	70	74
Equipment	2 018	1 837	536	159	61	63	67
Land and buildings	–	–	–	–	–	–	–
Professional and special services	574	379	200	400	400	639	572
Transfer payments	6 491	6 500	7 004	16 397	7 366	7 673	8 133
Miscellaneous	132	268	81	–	–	–	–
<b>Total</b>	<b>17 326</b>	<b>16 443</b>	<b>14 797</b>	<b>26 153</b>	<b>18 885</b>	<b>21 334</b>	<b>22 379</b>

## Policy developments

Since rejoining the International Labour Organisation (ILO) in 1994, South Africa has embarked on a process of ratifying all its core labour standards. South Africa has been elected as a member of the governing body of the ILO and has been elected by the Africa Group to coordinate its activities in the organisation.

At the 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. There was substantial participation in the SADC Employment and Labour Sector meetings.

## Expenditure trends

A once-off allocation of R10 million for the procurement of a building for Nedlac resulted in a larger than normal allocation during 2001/02. Over the medium term, the allocation to Nedlac is stable in real terms while there is strong real growth in International Labour Matters.

## Key outputs, indicators and targets

### Auxiliary and Associated Services

Subprogramme	Output	Output measure/indicator	Target
National Economic Development and Labour Council	Transfer payment to Nedlac	Business, labour, the community and Government engaged in negotiations Processes set up to resolve disputes in terms of the Labour Relations Act	80% of agreements concluded In place by November 2002
International Labour Matters	Effective coordination of and participation in international bodies	Extent and impact of participation	Work programmes for participation in multinational, regional and bi-national bodies

## Public entities reporting to the Minister

### National Skills Authority

The National Skills Authority (NSA) was established in terms of the Skills Development Act. Its main functions are: to advise the Minister of Labour on national skills development policy; to report to the Minister on progress with the implementation of the national skills development strategy; and to liaise with the Setas on skills policy and strategy. The NSA has contributed towards establishing the 27 existing Setas.

The allocation for the NSA has grown strongly in recent years and increases from R21,6 million in 2002/03 to R22,9 million in 2004/05.

### 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. Key priorities over the next period are to provide expedited, integrated, simple and high quality dispute resolution services, and dispute prevention and management services, and to build capacity in the bargaining councils and similar institutions.

Transfers from the Department of Labour to the CCMA amounted to R136,6 million in 2001/02, and are projected to increase to R161,7 million in 2004/05.

### 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 R20,5 million in 2001/02 and rising over the medium term to R23,1 million in 2004/05.

The NPI 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 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

The National Economic Development and Labour Council's (Nedlac) aim is to build socio-political consensus by increasing participation in decision-making on labour and socio-economic matters. Nedlac 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 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 a once-off R10 million for the procurement of a building. Transfers grow from R7,4 million in 2002/03 to R8,1 million in 2004/05.

## Unemployment Insurance Fund

The Unemployment Insurance Fund (UIF) provides short-term income replacement under prescribed circumstances to people who have contributed to it. 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 UIF and are covered by its provisions. However, this excludes government employees, seasonal workers, workers in the informal sector and domestic workers.

The projected benefits to be paid out in 2001/02 are estimated at R2,7 billion, of which R2,2 billion is for unemployment, R86,1 million for illness, R239,1 million for maternity, R277 000 for adoption and R145,9 million for death benefits payable to dependants.

Because of continuing deficits, opportunities for the restructuring of the UIF have been investigated. New legislation is in place to strengthen its administration, target benefits more effectively at the poor, and extend the coverage of the scheme.

Government's budget contribution to the UIF for 2001/02 increased with R605 million, aimed at alleviating cash flow shortfalls. In order to ensure a 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 by the National Treasury and a Memorandum of Understanding has been drawn up.

**Table 28.11: Summary of revenue, expenditure and financing for the Unemployment Insurance Fund<sup>1</sup>**

	Revenue/Expenditure outcome				Medium-term estimate		
	Audited	Audited	Preliminary	Adjusted			
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand							
<b>Revenue</b>							
Current revenue	2 868 325	2 770 789	2 823 685	3 302 369	3 564 584	3 706 762	3 879 578
<i>Tax revenue</i>	2 825 946	2 705 675	2 755 950	3 169 343	3 454 584	3 613 762	3 797 578
<i>Non-tax revenue</i>	42 379	65 114	67 735	133 026	110 000	93 000	82 000
Capital revenue	318	45	9	–	–	–	–
Grants received	7 000	7 000	7 000	612 000	327 000	257 000	157 000
<b>Total Revenue</b>	<b>2 875 643</b>	<b>2 777 834</b>	<b>2 830 694</b>	<b>3 914 369</b>	<b>3 891 584</b>	<b>3 963 762</b>	<b>4 036 578</b>
<b>Expenditure</b>							
Current expenditure	3 364 972	3 188 291	3 357 315	3 542 425	3 710 899	3 897 015	3 983 230
<i>Remuneration of employees</i>	122 100	133 000	143 700	153 041	162 223	171 145	179 702
<i>Other goods and services</i>	56 600	108 300	107 700	114 162	119 870	125 624	131 277
<i>Interest</i>	8 691	10 504	25 227	9 693	–	–	–
<i>Current transfers</i>	3 177 581	2 936 487	3 080 688	3 265 529	3 428 806	3 600 246	3 672 251
Capital expenditure	4 599	12 529	1 697	1 734	–	–	–
<i>Acquisition of fixed capital assets</i>	4 599	12 529	1 697	1 734	–	–	–
<i>Capital transfers</i>	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>3 369 571</b>	<b>3 200 820</b>	<b>3 359 012</b>	<b>3 544 159</b>	<b>3 710 899</b>	<b>3 897 015</b>	<b>3 983 230</b>
<b>Surplus/(Deficit)</b>	<b>(493 928)</b>	<b>(422 986)</b>	<b>(528 318)</b>	<b>370 210</b>	<b>180 685</b>	<b>66 747</b>	<b>53 348</b>

	Revenue/Expenditure outcome			Adjusted appropriation	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01				
R thousand				2001/02			
<b>Financing</b>							
Change in cash and other balances	493 928	422 986	528 318	(370 210)	(180 685)	(66 747)	(53 348)
<b>Total Financing</b>	<b>493 928</b>	<b>422 986</b>	<b>528 318</b>	<b>(370 210)</b>	<b>(180 685)</b>	<b>(66 747)</b>	<b>(53 348)</b>

<sup>†</sup> Data provided by the UIF.

## 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 medical costs for injuries and diseases sustained on duty by government officials. Provision increases from R10,6 million in 2002/03 to R14 million in 2004/05.

**Table 28.12: Summary of revenue, expenditure and financing for the Compensation Fund**

	Revenue/Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01				
R thousand				2001/02			
<b>Revenue</b>							
Current revenue	1 678 040	1 927 872	1 899 056	2 059 287	2 226 267	2 416 284	2 531 297
<i>Tax revenue</i>	1 296 673	1 586 637	1 579 464	1 710 578	1 841 309	2 025 438	2 120 841
<i>Non-tax revenue</i>	381 367	341 235	319 592	348 709	384 958	390 846	410 456
Capital revenue	38	64	85	-	-	-	-
<b>Total Revenue</b>	<b>1 678 078</b>	<b>1 927 936</b>	<b>1 899 141</b>	<b>2 059 287</b>	<b>2 226 267</b>	<b>2 416 284</b>	<b>2 531 297</b>
<b>Expenditure</b>							
Current expenditure	1 110 486	1 125 580	1 360 629	1 412 600	1 719 492	1 758 509	1 867 759
<i>Remuneration of employees</i>	47 276	54 429	62 082	69 604	74 127	76 168	80 843
<i>Other goods and services</i>	89 746	163 762	265 781	217 282	294 700	310 909	325 832
<i>Interest</i>	-	-	-	-	-	-	-
<i>Current transfers</i>	973 464	907 389	1 032 766	1 125 714	1 350 665	1 371 432	1 461 084
Capital expenditure	1 265	5 505	6 981	3 000	3 500	3 500	3 500
<i>Acquisition of fixed capital assets</i>	1 265	5 505	6 981	3 000	3 500	3 500	3 500
<i>Capital transfers</i>	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>1 111 751</b>	<b>1 131 085</b>	<b>1 367 610</b>	<b>1 415 600</b>	<b>1 722 992</b>	<b>1 762 009</b>	<b>1 871 259</b>
<b>Surplus/(Deficit)</b>	<b>566 327</b>	<b>796 851</b>	<b>531 531</b>	<b>643 687</b>	<b>503 275</b>	<b>654 275</b>	<b>660 038</b>
<b>Financing</b>							
Change in cash and other balances	(566 327)	(796 851)	(531 531)	(643 687)	(503 275)	(654 275)	(660 038)
<b>Total Financing</b>	<b>(566 327)</b>	<b>(796 851)</b>	<b>(531 531)</b>	<b>(643 687)</b>	<b>(503 275)</b>	<b>(654 275)</b>	<b>(660 038)</b>

<sup>†</sup> Data provided by the Compensation Fund.

## **Annexure**

### **Vote 28: Labour**

Table 28.13: Summary of expenditure trends and estimates per programme

Table 28.14: Summary of expenditure trends and estimates per economic classification

Table 28.15: Summary of expenditure trends and estimates per standard item

Table 28.16: Summary of transfers and subsidies per programme

Table 28.17: Summary of personnel numbers and costs

Table 28.18: Summary of expenditure on training

Table 28.19: Summary of information and communications technology expenditure

Table 28.20: Summary of conditional grants to provinces

Table 28.21: Summary of Sector Education and Training Authorities

Table 28.13: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
1 Administration	97 578	111 330	95 606	148 812	36 390	753	185 955	191 784	117 277	55 024	172 301	193 288	205 508
2 Occupational Health and Safety of Persons	2 904	3 047	13 355	19 050	-	(3 286)	15 764	12 497	23 124	848	23 972	25 401	27 572
3 Social Insurance	13 739	20 514	17 453	22 111	-	605 000	627 111	627 111	337 601	-	337 601	269 201	171 421
4 Employment and Skills Development Services	262 148	343 538	205 932	150 103	-	(12 442)	137 661	118 502	150 930	6 987	157 917	163 600	173 416
5 Labour Relations	137 776	156 677	149 376	165 515	-	3 956	169 471	164 681	175 281	548	175 829	184 467	195 534
6 Labour Policy	22 173	23 399	27 784	25 937	-	213	26 150	21 653	26 166	240	26 406	27 560	29 319
7 Service Delivery	176 644	190 600	207 424	256 667	-	18 111	274 778	265 385	281 213	22 760	303 973	347 217	392 752
8 Auxiliary and Associated Services	17 326	16 443	14 797	13 458	-	12 695	26 153	31 430	18 836	49	18 885	21 334	22 379
<b>Subtotal</b>	<b>730 288</b>	<b>865 548</b>	<b>731 727</b>	<b>801 653</b>	<b>36 390</b>	<b>625 000</b>	<b>1 463 043</b>	<b>1 433 043</b>	<b>1 130 428</b>	<b>86 456</b>	<b>1 216 884</b>	<b>1 232 068</b>	<b>1 217 901</b>
<b>Direct charge on the National Revenue</b>													
<b>Fund</b>	-	-	<b>901 676</b>	<b>2 800 000</b>	-	<b>(50 000)</b>	<b>2 750 000</b>	<b>2 750 000</b>	<b>2 950 000</b>	-	<b>2 950 000</b>	<b>3 150 000</b>	<b>3 370 000</b>
Sector Education and Training Authorities	-	-	721 475	2 240 000	-	(40 000)	2 200 000	2 200 000	2 350 000	-	2 350 000	2 510 000	2 691 600
National Skills Fund	-	-	180 201	560 000	-	(10 000)	550 000	550 000	600 000	-	600 000	640 000	678 400
<b>Total</b>	<b>730 288</b>	<b>865 548</b>	<b>1 633 403</b>	<b>3 601 653</b>	<b>36 390</b>	<b>575 000</b>	<b>4 213 043</b>	<b>4 183 043</b>	<b>4 080 428</b>	<b>86 456</b>	<b>4 166 884</b>	<b>4 382 068</b>	<b>4 587 901</b>
Change to 2001 Budget Estimate							611 390	581 390			298 449	259 218	

Table 28.14: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
<b>Current</b>	<b>697 292</b>	<b>817 181</b>	<b>695 346</b>	<b>735 337</b>	<b>-</b>	<b>629 981</b>	<b>1 365 318</b>	<b>1 340 318</b>	<b>1 130 428</b>	<b>-</b>	<b>1 130 428</b>	<b>1 129 125</b>	<b>1 099 821</b>
Personnel	240 192	212 669	224 402	299 894	-	(2 109)	297 785	259 610	306 880	-	306 880	322 537	342 012
Salaries and wages	172 867	147 452	224 402	299 894	-	(2 109)	297 785	259 610	294 698	-	294 698	308 928	327 368
Other	67 325	65 217	-	-	-	-	-	-	12 182	-	12 182	13 609	14 644
Transfer payments	309 132	448 719	300 136	241 295	-	615 000	856 295	867 295	577 894	-	577 894	519 932	436 127
Subsidies to business enterprises	250 399	385 698	192 361	198 227	-	19 000	217 227	217 227	219 534	-	219 534	226 731	240 734
Other levels of government													
social security funds	7 000	7 000	7 000	14 068	-	605 000	619 068	630 068	327 000	-	327 000	257 000	157 420
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	-	-	100 775	29 000	-	(9 000)	20 000	20 000	31 360	-	31 360	36 201	37 973
provincial government	51 733	56 021	-	-	-	-	-	-	-	-	-	-	-
local government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	147 968	155 793	170 808	194 148	-	17 090	211 238	213 413	245 654	-	245 654	286 656	321 682
<b>Capital</b>	<b>32 996</b>	<b>48 367</b>	<b>36 381</b>	<b>66 316</b>	<b>36 390</b>	<b>(4 981)</b>	<b>97 725</b>	<b>92 725</b>	<b>-</b>	<b>86 456</b>	<b>86 456</b>	<b>102 943</b>	<b>118 080</b>
Transfer payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable capital	26 719	43 658	35 293	37 103	-	(2 481)	34 622	34 622	-	34 426	34 426	37 146	39 511
Motor vehicles (transport)	3 301	-	-	-	-	-	-	-	-	-	-	-	-
Equipment - Computers	17 636	37 583	30 293	896	-	(353)	543	543	-	9 297	9 297	9 882	10 591
Equipment - Other office equipment	5 628	6 075	5 000	36 207	-	(2 128)	34 079	34 079	-	25 129	25 129	27 264	28 920
Other	154	-	-	-	-	-	-	-	-	-	-	-	-
Fixed capital	6 277	4 709	1 088	29 213	36 390	(2 500)	63 103	58 103	-	52 030	52 030	65 797	78 569
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	625	625	692	758
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	6 277	4 709	1 088	29 213	36 390	(2 500)	63 103	58 103	-	51 405	51 405	65 105	77 811
<b>Total</b>	<b>730 288</b>	<b>865 548</b>	<b>731 727</b>	<b>801 653</b>	<b>36 390</b>	<b>625 000</b>	<b>1 463 043</b>	<b>1 433 043</b>	<b>1 130 428</b>	<b>86 456</b>	<b>1 216 884</b>	<b>1 232 068</b>	<b>1 217 901</b>

Table 28.15: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total	2003/04	2004/05
R thousand													
Personnel	240 192	212 669	224 402	299 894	–	(2 109)	297 785	259 609	306 880	–	306 880	322 537	342 012
Administrative	47 336	51 978	62 172	77 879	–	16 409	94 288	95 257	116 245	–	116 245	146 727	172 003
Inventories	16 851	17 379	11 893	35 389	–	(11 536)	23 853	23 853	25 336	–	25 336	27 306	29 089
Equipment	30 669	46 103	38 838	37 103	–	(2 481)	34 622	34 622	2 928	34 426	37 354	40 460	42 909
Land and buildings	6 292	4 740	2 962	38 189	36 390	(3 944)	70 635	65 635	2 873	52 030	54 903	66 794	79 632
Professional and special services	68 758	66 743	79 032	56 795	–	13 645	70 440	71 485	86 830	–	86 830	95 270	101 287
Transfer payments	309 132	448 719	300 136	241 295	–	615 000	856 295	867 295	577 894	–	577 894	519 932	436 127
Miscellaneous	11 058	17 217	12 292	15 109	–	16	15 125	15 287	11 442	–	11 442	13 042	14 842
<b>Total</b>	<b>730 288</b>	<b>865 548</b>	<b>731 727</b>	<b>801 653</b>	<b>36 390</b>	<b>625 000</b>	<b>1 463 043</b>	<b>1 433 043</b>	<b>1 130 428</b>	<b>86 456</b>	<b>1 216 884</b>	<b>1 232 068</b>	<b>1 217 901</b>

Table 28.16: Summary of transfers and subsidies per programme

	Expenditure outcome				Medium-term expenditure estimate				
	Audited	Audited	Preliminary	Adjusted	Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02	2002/03			2003/04	2004/05
R thousand									
<b>3 Social Insurance</b>	<b>7 000</b>	<b>7 000</b>	<b>7 000</b>	<b>612 000</b>	<b>327 000</b>	<b>-</b>	<b>327 000</b>	<b>257 000</b>	<b>157 420</b>
Unemployment Insurance									
Unemployment Insurance Fund	7 000	7 000	7 000	612 000	327 000	-	327 000	257 000	157 420
<b>4 Employment and Skills Development Services</b>	<b>166 238</b>	<b>280 779</b>	<b>133 357</b>	<b>63 213</b>	<b>68 697</b>	<b>-</b>	<b>68 697</b>	<b>72 954</b>	<b>77 331</b>
Skills Development Funding									
National Skills Fund	144 683	243 754	100 500	20 000	31 360	-	31 360	36 201	37 973
Skills Development Planning Unit									
SA Council for the Blind	112	112	150	193	201	-	201	190	202
DEAFSA	53	56	100	128	134	-	134	127	132
National Council for the Physical Disabled	120	35	120	153	160	-	160	151	162
Employment Services									
Social Plan Technical Support Facility	-	-	-	7 068	-	-	-	-	-
Sheltered Employment									
Subsidising Workshops for the Blind	4 016	4 383	4 445	5 715	5 966	-	5 966	5 632	5 970
Subsidising Work Centres for the Disabled	17 254	32 439	28 042	29 956	30 876	-	30 876	30 653	32 892
<b>5 Labour Relations</b>	<b>111 403</b>	<b>134 000</b>	<b>133 500</b>	<b>144 186</b>	<b>153 870</b>	<b>-</b>	<b>153 870</b>	<b>160 471</b>	<b>170 099</b>
Prevention and Settlement of Disputes									
Commission for Conciliation, Mediation and Arbitration	105 952	128 000	127 000	136 616	145 740	-	145 740	152 539	161 691
Strengthening Civil Society									
Ditsela	5 451	6 000	6 500	7 570	8 130	-	8 130	7 932	8 408
<b>6 Labour Policy</b>	<b>18 000</b>	<b>20 440</b>	<b>19 275</b>	<b>20 499</b>	<b>20 961</b>	<b>-</b>	<b>20 961</b>	<b>21 834</b>	<b>23 144</b>
Promotion of Productivity									
National Productivity Institute	18 000	20 440	19 275	20 499	20 961	-	20 961	21 834	23 144
<b>8 Auxiliary and Associated Services</b>	<b>6 491</b>	<b>6 500</b>	<b>7 004</b>	<b>16 397</b>	<b>7 366</b>	<b>-</b>	<b>7 366</b>	<b>7 673</b>	<b>8 133</b>
National Economic Development and Labour Council	6 491	6 500	6 729	16 397	7 366	-	7 366	7 673	8 133
Sector Education and Training Authority	-	-	275	-	-	-	-	-	-
<b>Total</b>	<b>309 132</b>	<b>448 719</b>	<b>300 136</b>	<b>856 295</b>	<b>577 894</b>	<b>-</b>	<b>577 894</b>	<b>519 932</b>	<b>436 127</b>

**Table 28.17: Summary of personnel numbers and costs<sup>1</sup>**

Personnel numbers	1998/99	1999/00	2000/01	2001/02	2002/03
1 Administration	184	177	189	375	375
2 Occupational Health and Safety of Persons	17	13	68	33	33
4 Employment and Skills Development Services	527	287	312	372	372
5 Labour Relations	150	87	186	67	67
6 Labour Policy	20	20	19	20	20
7 Service Delivery	1 893	2 207	2 701	2 705	2 705
8 Auxiliary and Associated Services	28	28	15	28	28
<b>Total</b>	<b>2 819</b>	<b>2 819</b>	<b>3 490</b>	<b>3 600</b>	<b>3 600</b>
Total personnel cost (R thousand)	240 192	212 669	224 402	297 785	306 880
Unit cost (R thousand)	85.2	75.4	64.3	82.7	85.2

<sup>1</sup> Full-time equivalent**Table 28.18: Summary of expenditure on training**

	Expenditure outcome		Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand						
1 Administration	325	708	1 215	1 272	1 386	7 873
2 Occupational Health and Safety of Persons	634	874	2 160	1 476	1 604	2 141
4 Employment and Skills Development Services	89	522	1 500	1 525	1 543	–
5 Labour Relations	187	750	310	310	289	–
6 Labour Policy	10	79	106	135	85	–
7 Service Delivery	2 623	2 694	2 046	2 161	2 253	–
8 Auxiliary and Associated Services	–	–	20	20	20	20
<b>Total</b>	<b>3 868</b>	<b>5 627</b>	<b>7 357</b>	<b>6 899</b>	<b>7 180</b>	<b>10 034</b>

**Table 28.19: Summary of information and communications technology expenditure**

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2001/02	2002/03	2003/04
<b>1 Administration</b>	<b>40 466</b>	<b>39 481</b>	<b>43 965</b>	<b>47 717</b>
Technology	18 376	26 681	26 381	29 079
Hardware	8 376	16 601	16 296	18 984
Software and licences	10 000	10 000	10 000	10 000
Audio-visual equipment	-	80	85	95
Systems	-	-	-	-
IT services	22 090	12 800	17 584	18 638
Consulting	22 000	12 700	17 434	18 458
Outsourcing	90	100	150	180
<b>4 Employment and Skills Development Services</b>	<b>5 890</b>	<b>5 795</b>	<b>5 683</b>	<b>6 024</b>
Technology	5 890	5 795	5 683	6 024
Hardware	5 890	5 795	5 683	6 024
Software and licences	-	-	-	-
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
<b>5 Labour Relations</b>	<b>681</b>	<b>548</b>	<b>508</b>	<b>538</b>
Technology	681	548	508	538
Hardware	681	548	508	538
Software and licences	-	-	-	-
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2002/03	2003/04	2004/05
	2001/02			
<b>6 Labour Policy</b>	<b>257</b>	<b>215</b>	<b>166</b>	<b>234</b>
Technology	257	215	166	234
Hardware	257	215	166	234
Software and licences	-	-	-	-
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
<b>7 Service Delivery</b>	<b>5 128</b>	<b>8 633</b>	<b>7 402</b>	<b>5 761</b>
Technology	5 128	8 633	7 402	5 761
Hardware	4 127	7 366	6 147	4 560
Software and licences	101	178	186	111
Audio-visual equipment	200	347	281	290
Systems	700	742	788	800
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
<b>8 Auxiliary and Associated Services</b>	<b>-</b>	<b>30</b>	<b>31</b>	<b>32</b>
Technology	-	30	31	32
Hardware	-	30	31	32
Software and licences	-	-	-	-
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
<b>Total</b>	<b>52 422</b>	<b>54 702</b>	<b>57 755</b>	<b>60 306</b>

**Table 28.20: Summary of conditional grants to provinces<sup>1</sup>**

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
<b>4 Employment and Skills Development Services</b>							
Training centres	51 733	56 021	-	-	-	-	-
<b>Total</b>	<b>51 733</b>	<b>56 021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Detail provided in the Division of Revenue Act for 2002.

Table 28.21: Summary of Sector Education and Training Authorities for 2002/03

No Seta	Projected levy income	10 per cent operational cost	Sources of other income	Other income	10 per cent plus other income	Projected operational expenditure
R thousand						
1 Financial and Accounting Services	72 577	7 258	Interest	62	7 320	8 268
2 Banking Sector Education and Training Authority	122 620	12 262	Interest	81	12 343	13 969
3 Chemical Industries	96 000	9 600	None	–	9 600	10 526
4 Clothing, Textiles, Footwear and Leather	46 816	4 682	Interest	1 184	5 866	6 384
5 Construction Education and Training Authority	78 100	7 810	None	–	7 810	7 760
6 Diplomacy, Intelligence, Defence and Trade and Industry	56 018	5 602	Interest, Learnership subsidy, Conversion of apprentices	1 530	7 132	7 866
7 Energy Seta	58 346	5 835	None	–	5 835	6 010
8 Education, Training and Development Practices	75 709	7 571	None	–	7 571	8 603
9 Food and Beverages Manufacturing Industry	78 672	7 867	Interest	780	8 647	9 668
10 Forest Industries	48 809	4 881	None	–	4 881	–
11 Health and Welfare	101 796	10 180	Interest, Public Sector Contribution	12 218	22 398	23 135
12 Information Systems, Electronics and Telecommunications Technologies	144 733	14 473	Seta activities, Interest	4 462	18 935	20 679
13 Insurance	69 820	6 982	Interest	46	7 028	7 954
14 Local Government, Water and Related Services	107 093	10 709	Other income	50	10 759	12 170
15 Media, Advertising, Publishing, Printing and Packaging	79 200	7 920	Creative Industry support, Interest earned, inter-Seta fees	1 100	9 020	8 665
16 Mining	222 640	22 264	None	2 300	24 564	20 831
17 Manufacturing, Engineering and Related Services	266 764	26 677	Interest earned	12 925	39 602	33 070
18 Police, Private Security, Legal and Correctional Services	38 104	3 810	None	–	3 810	12 851
19 Primary Agriculture	18 564	1 856	Interest earned, Seta activities	516	2 372	2 873
20 Public Service <sup>1</sup>	6 570	657		–	657	6 166
21 Secondary Agriculture	51 040	5 104	Interest earned	34	5 138	5 107
22 Services Seta	183 120	18 312	Conf, assess accredit fees, Interest, VAT	3 605	21 917	27 605
23 Tourism and Hospitality	66 000	6 600	Interest, Seta activities	3 960	10 560	11 239
24 Transport	106 624	10 662	Interest	2 000	12 662	14 954
25 Wholesale and Retail	154 265	15 426	Interest	132	15 558	17 572
<b>Total</b>	<b>2 350 000</b>	<b>235 000</b>		<b>46 985</b>	<b>281 985</b>	<b>303 925</b>

<sup>1</sup> Funded on the Public Service and Administration Vote with contributions from other departments.