

Vote 17

Labour

	2004/05 To be appropriated	2005/06	2006/07
MTEF allocations	R1 191 733 000	R1 289 476 000	R1 381 610 000
Statutory amounts	R4 300 000 000	R4 500 000 000	R4 700 000 000
Responsible Minister	Minister of Labour		
Administering Department	Department of Labour		
Accounting Officer	Director-General of Labour		

Aim

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

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Conduct the overall management of the department and provide support and advisory services.

Programme 2: Service Delivery

Purpose: Protect the health and safety of workers, and implement and enforce Department of Labour policies.

Measurable objective: Ensure the effective and efficient implementation of legislation, standards, guidelines and policies in an integrated manner through the provision of inspection and enforcement services, employment and skills development services, and labour market information and statistical services.

Programme 3: Employment and Skills Development Services / Human Resources Development

Purpose: Achieve the strategic objectives and equity targets of the National Skills Development Strategy (NSDS) and contribute to the achievement of the strategic objectives of the National Human Resources Development Strategy.

Measurable objective: Achieve the success indicators of the 2004/05 National Skills Development Strategy targets through the performance management of service level agreements with 25 Sector Education and Training Authorities (Setas) and the efficient and effective management of the National Skills Fund.

Programme 4: Labour Policy and Labour Market Programmes

Purpose: Establish an equitable and sound labour relations environment and international relations, through research, analysis and evaluation of labour policy and providing data and statistics on the labour market, including providing support to the institutions that promote social dialogue (the Commission for Conciliation, Mediation and Arbitration (CCMA) and the National Economic Development and Labour Council (Nedlac)).

Measurable objective: Develop labour legislation and policy to reduce conflict and inequalities and improve working conditions and equity in the labour market, including the fulfilment of South Africa's obligations to international and regional organisations.

Programme 5: Social Insurance

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

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

Strategic overview and key policy developments: 2000/01 – 2006/07

Employment creation is the biggest challenge facing government and a key instrument for fighting poverty. The department addresses this challenge through effectively formulating labour market policies that provide an enabling environment for job creation. Moreover, by setting and enforcing norms and standards in the labour market, the department also seeks to ensure that existing and new jobs do not place workers' health and safety in jeopardy. The department seeks to create an environment that is conducive to increasing labour productivity in South Africa by designing and managing a sound labour relations regime, managing the UIF in the interests of people who lose their jobs, managing the Compensation Fund to ensure that workers are compensated for injuries and diseases arising in the course of their employment, and promoting an effective skills development strategy.

Highlighting government's commitment to promoting employment, the Growth and Development Summit was held on 7 June 2003, where the Department of Labour co-ordinated government's input. The department will have primary responsibility for monitoring the implementation of government commitments made at the summit, with the main objective to halve unemployment by 2014. A number of recent and planned strategies will support this overarching goal.

Enhancing skills development

The high unemployment rate in South Africa can, in part, be attributed to the skills mismatch in the economy, stemming from the low education base of the labour force, which has been inherited from apartheid. Recent rapid shifts in the economy from traditional low-skill commodity processing sectors towards the services sector, parts of which are extremely skill intensive, accentuate this two-pronged problem. The Skills Development Act (97 of 1998) and the Skills Development Levies Act (9 of 1999) seek to contribute to addressing these problems – essentially by providing a set of institutions, the Setas, as well as incentives to employers to encourage and support training across all sectors of the economy. The Skills Development Levies Act requires that all employers contribute one per cent of their payroll to promote skills development and work-based training for both the employed and unemployed in the South African labour market.

Furthermore, the Skills Development Act also prescribes that the Minister should adopt, on the advice of his social partners represented in the National Skills Authority, a National Skills Development Strategy. This strategy essentially seeks to prioritise certain areas of work in order to focus the efforts of the 25 Setas and direct the skills funding. The strategy encompasses the learnership programme that provides work-based training to those currently in work, assists the unemployed in finding work, and gives hope to work entrants, older people, women and people with disabilities. Registered and quality-assured learnership programmes equip people with scarce skills that employers demand. A new National Skills Development Strategy will be launched in October 2004 and start being implemented in April 2005, for the period 2005 to 2009.

In 2003, the Skills Development Act was amended to strengthen the Minister's ability to effectively intervene where Setas underperform and to make changes to improve the implementation of legislation. In the 2004/05 financial year, the department will focus on implementing these amendments in addition to reviewing the achievements of the 2001–2005 strategy to inform the 2005–2009 strategy.

Achieve equity in the labour market and promote sound labour relations

Over the medium term, the department will develop and adopt measures aimed at enhancing equity and providing support to the Commission for Employment Equity. Reforms in terms of the Labour Relations Amendment Act (66 of 1995) to enable bargaining councils to serve employer and employee parties more effectively and to enhance the efficient functioning of the Commission for Conciliation Mediation and Arbitration are currently being implemented. Effective operation of and support to the bargaining councils will be a key focus area over the medium term.

Protection of vulnerable workers

The protection of workers has been advanced through investigations into a number of sectors, minimum wages and working conditions. Substantial progress was made in relation to agricultural and domestic workers, with a number of initiatives focused on child labour. Minimum wages for domestic workers were promulgated on 1 November 2002 and for agricultural workers on 1 March 2003. The department is currently consulting with relevant stakeholders to prepare sectoral wage determinations for the taxi industry and for children in the performing arts during 2004.

Strengthening social protection

Over the medium term, the department aims to strengthen social protection by improving services provided by the Unemployment Insurance Fund and the Compensation Fund. Occupational health and safety functions are currently fragmented, with varying responsibilities falling under the departments of labour, health, and minerals and energy. These three line departments have collaborated to develop a draft national overarching policy in line with the Cabinet decision to integrate occupational health and safety and compensation functions. This initiative to improve social protection relating to occupational health and safety and compensation competencies in the workplace will be discussed at Nedlac during 2004/05.

Unemployment insurance

Legislative amendments in 2001 and 2002 were aimed at increased and equitable coverage of the workforce, cost containment, enhancing compliance and ensuring financial sustainability. The Unemployment Insurance Contributions Act (4 of 2002) transferred revenue collection from the department to the South African Revenue Service.

Reforms have contributed to the improvement of revenue flows and the accumulation of significant cash surpluses, held with the Public Investment Commissioner (PIC). The inclusion of domestic workers began on 1 April 2003 and to date, more than 579 000 employers of domestic workers

have registered with the UIF. Key priorities for the fund from 2004 to 2007 are to finalise and improve the employer and employee database and improve support to database users.

Service delivery

Having emphasised policy development over the last decade, the Department of Labour's focus is now on effective implementation. Labour centres and business units in the provinces have been restructured in order to provide integrated services to clients (a one-stop service). Consequently, the bulk of the operational work has shifted to provincial offices. Implementation strategies to be rolled out by the business units have been developed. For example, provincial business units will now focus increasingly on inspection and enforcement as well as on employment and skills services. Improved service delivery will be supported by developments in departmental IT. The public-private partnership arrangement with Siemens will also design, build and operate an IT system and architecture that is aligned with business processes. This world class information system will lead to improved services to clients and efficiency gains in the department's administration.

Measures to reduce accidents and improve the health and safety of workers are being prioritised, especially through blitz inspections. By integrating its inspection services, the department has ensured that more resources are deployed to enforce health and safety standards.

Monitoring and controlling the impact of labour market policies

The department's *Labour Market Policy* programme will increasingly focus on research to monitor progress with implementation of labour legislation and the impact thereof on the labour market. This programme will also analyse and evaluate labour policy and provide data and statistics for the labour market.

Expenditure estimates

Table 17.1: Labour

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04				
1 Administration	95 687	167 935	226 563	238 556	238 556	251 886	269 282	285 487
2 Service Delivery	248 544	272 046	342 311	404 907	404 907	477 439	526 275	571 566
3 Employment and Skills Development Services/ Human Resources Development	164 056	88 019	115 901	125 530	125 530	140 976	151 022	160 809
4 Labour Policy and Labour Market Programmes	205 987	248 953	259 768	265 506	265 506	299 892	320 470	340 395
5 Social Insurance	17 453	619 891	338 483	19 639	19 639	21 540	22 427	23 353
Subtotal	731 727	1 396 844	1 283 026	1 054 138	1 054 138	1 191 733	1 289 476	1 381 610
Direct charge on the National								
Revenue Fund	901 676	2 541 016	3 259 460	3 600 000	3 700 000	4 300 000	4 500 000	4 700 000
Sector Education and Training Authorities	721 475	2 034 129	2 611 797	2 880 000	2 960 000	3 440 000	3 600 000	3 760 000
National Skills Fund	180 201	506 887	647 663	720 000	740 000	860 000	900 000	940 000
Total	1 633 403	3 937 860	4 542 486	4 654 138	4 754 138	5 491 733	5 789 476	6 081 610
Change to 2003 Budget Estimate				(236 951)	(136 951)	300 112	271 206	

R thousand	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
Economic classification								
Current payments	374 449	473 862	547 405	677 602	677 602	798 701	873 039	941 608
Compensation of employees	226 300	259 611	306 468	386 360	386 360	454 888	499 400	540 503
Goods and services	147 987	214 204	240 291	291 195	291 195	343 813	373 639	401 105
Interest and rent on land	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	162	47	646	47	47	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 220 844	3 423 838	3 875 132	3 897 137	3 997 137	4 624 691	4 843 867	5 062 999
Provinces and municipalities	671	776	908	1 146	1 146	1 345	1 476	1 598
Departmental agencies and accounts	1 188 493	3 386 322	3 827 415	3 857 760	3 957 760	4 582 610	4 798 740	5 014 801
Universities and technikons	-	-	-	-	-	-	-	-
Foreign governments & international organisations	6 036	10 754	15 508	9 000	9 000	11 023	12 152	13 214
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	23 771	25 038	27 180	27 934	27 934	29 713	31 499	33 386
Households	1 873	948	4 121	1 297	1 297	-	-	-
Payments for capital assets	38 110	40 160	119 949	79 399	79 399	68 341	72 570	77 003
Buildings and other fixed structures	2 954	22 583	103 004	75 465	75 465	63 641	67 459	69 599
Machinery and equipment	35 152	17 575	16 945	3 931	3 931	4 697	5 107	7 400
Cultivated assets	-	-	-	-	-	-	-	-
Software and other intangible assets	4	2	-	3	3	3	4	4
Land and subsoil assets	-	-	-	-	-	-	-	-
Total	1 633 403	3 937 860	4 542 486	4 654 138	4 754 138	5 491 733	5 789 476	6 081 610

Expenditure trends

The allocations reflected for the department can be divided into two categories. Firstly, departmental activities are funded through parliamentary appropriations. Secondly, a statutory allocation, which is financed through the skills development levy, forms a direct charge on the National Revenue Fund and is transferred to Setas and the National Skills Fund.

Departmental non-statutory expenditure nearly doubled from R731,7 million in 2000/01 to R1,4 billion in 2001/02. This was due to the earmarked allocations to support the turnaround strategy of the Unemployment Insurance Fund, which was initially also supported at reduced levels up to 2004/05. The success achieved in the UIF's turnaround strategy ended the need for continuing interim support and resulted in a deferral of amounts allocated for this purpose for 2003/04 and 2004/05.

Excluding the earmarked allocations made in relation to the UIF, the department's expenditure reflects an average annual increase of 12,9 per cent over the three years ending 2003/04. Expenditure over the medium term increases at an annual average of 9,4 per cent.

The 2004 Budget provides for baseline increases of R47,9 million in 2004/05, R68,9 million in 2005/06 and R87,8 million in 2006/07. These are mainly to support the department's commitments around the Growth and Development Summit, including allocations to Nedlac for this purpose, and to strengthen the institutional capacity of both the department and the CCMA.

Departmental receipts

The department estimates receipts of non-tax revenue of R4,5 million for 2003/04, declining to R4,4 million for 2006/07, because of the increased use of electronic payments that results in the reduction in the value of not-presented cheques that would need to be written back. Revenue from fines and forfeitures resulting from prosecutions in terms of labour legislation flows through the Department of Justice.

Table 17.2: Departmental receipts

R thousand	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate			
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03					
Tax receipts	–	–	–	–	–	–	–	
Sales of goods and services produced by department (excl capital assets)	1 977	1 525	2 199	2 264	2 250	2 260	2 270	
Sales of scrap, waste, arms and other used current goods (excl capital assets)	–	8	14	15	15	17	19	
Transfers received	–	–	–	–	–	–	–	
Fines, penalties and forfeits	139	62	112	107	100	95	90	
Interest, dividends and rent on land	598	(55)	1 217	834	830	820	810	
Sales of capital assets	–	–	–	–	–	–	–	
Financial transactions in assets and liabilities	15 638	4 131	1 045	1 296	1 290	1 280	1 270	
Total departmental receipts	18 352	5 671	4 587	4 516	4 485	4 472	4 459	

Programme 1: Administration

Administration conducts the overall management of the department and 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		2003/04	2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03					
R thousand								
Minister ¹	578	738	1 238	746	791	831	872	
Management	965	4 302	9 416	7 861	8 558	9 153	9 706	
Corporate Services	93 056	140 391	135 900	187 852	208 896	223 639	237 110	
Capital Works	1 088	22 504	80 009	42 097	33 641	35 659	37 799	
Total	95 687	167 935	226 563	238 556	251 886	269 282	285 487	
Change to 2003 Budget Estimate				27 716	25 173	26 890		

¹ Payable as from 1 April 2003. Salary: R597 228. Car allowance: R149 307.

Economic classification

	71 019	137 777	129 447	181 274	216 041	231 262	245 175
Current payments							
Compensation of employees	28 372	31 856	37 477	42 610	50 779	54 357	57 628
Goods and services	42 485	105 874	91 324	138 617	165 262	176 905	187 547
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	162	47	646	47	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Transfers and subsidies to:	85	100	109	131	156	167	177
Provinces and municipalities	85	100	109	131	156	167	177
Departmental agencies and accounts	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-
Payments for capital assets	24 583	30 058	97 007	57 151	35 689	37 853	40 135
Buildings and other fixed structures	2 954	22 583	91 045	55 465	33 641	35 659	37 799
Machinery and equipment	21 629	7 475	5 962	1 686	2 048	2 194	2 336
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
Total	95 687	167 935	226 563	238 556	251 886	269 282	285 487

Details of transfer payments and subsidies:

Provinces and municipalities							
Municipalities							
Current	85	100	109	131	156	167	177
Regional Services Council levies	85	100	109	131	156	167	177
Total	85	100	109	131	156	167	177

Expenditure trends

Administration expenditure increased significantly in 2001/02 largely due to the shift of funds for Capital Works from the Department of Public Works vote to the Department of Labour. A substantial increase in expenditure in 2002/03 is associated with acquiring capital assets for refurbishing the department's offices in Pretoria. Further increases in *Administration* expenditure in 2003/04 can be attributed to Corporate Services. As the department has shifted away from policy development towards policy implementation, the number of administrative staff and inspectors at the national and provincial offices have increased as institutional capacity and service delivery are strengthened. Finally, in December 2002 the department concluded a public-private partnership (PPP) to address its IT requirements. The provision for the PPP unitary fee is included in this allocation. The allocation, excluding statutory amounts, averages a modest growth of 6,2 per cent over the medium term, compared to an average of 35,6 per cent per year over the three years ending 2003/04.

Programme 2: Service Delivery

Service Delivery is responsible for seeing that the Department of Labour's legislation and policies are implemented in an integrated way. Core activities are structured around six subprogrammes and include processing applications for the unemployed and those injured on duty, facilitating access to employment and income-generating opportunities for the under- and unemployed, ensuring that employers and employees comply with relevant labour laws through inspection and enforcement,

researching and monitoring developments in the labour market, and promoting health and safety in the workplace.

Expenditure estimates

Table 17.4: Service Delivery

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Management Support Services	68 364	81 680	103 642	138 051	158 456	172 948	186 573
Beneficiary Services	–	–	–	1	1	1	1
Employment Services	79 795	59 903	70 107	86 134	104 300	115 108	125 377
Inspection and Enforcement Services	82 875	105 311	134 479	153 701	185 234	204 353	222 507
Labour Market Information and Statistics	4 155	10 364	12 156	13 949	15 803	17 249	18 608
Occupational Health and Safety	13 355	14 788	21 927	13 071	13 645	16 616	18 500
Total	248 544	272 046	342 311	404 907	477 439	526 275	571 566
Change to 2003 Budget Estimate				(6 341)	20 577	36 836	

Economic classification

Current payments	240 872	262 471	318 038	381 278	444 524	491 275	534 393
Compensation of employees	176 915	183 647	213 834	266 408	310 978	343 684	373 848
Goods and services	63 957	78 824	104 204	114 870	133 546	147 591	160 545
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies to:	2 157	1 702	4 806	2 319	1 392	1 517	1 634
Provinces and municipalities	522	540	640	771	896	991	1 078
Departmental agencies and accounts	–	–	–	–	–	–	–
Universities and technikons	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–
Public corporations & private enterprises	–	–	–	–	–	–	–
Non-profit institutions	250	272	253	468	496	526	556
Households	1 385	890	3 913	1 080	–	–	–
Payments for capital assets	5 515	7 873	19 467	21 310	31 523	33 483	35 539
Buildings and other fixed structures	–	–	11 090	20 000	30 000	31 800	31 800
Machinery and equipment	5 515	7 871	8 377	1 307	1 520	1 679	3 735
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	2	–	3	3	4	4
Land and subsoil assets	–	–	–	–	–	–	–
Of which: Capitalised compensation	–	–	–	–	–	–	–
Total	248 544	272 046	342 311	404 907	477 439	526 275	571 566

Details of transfer payments and subsidies:

Provinces and municipalities							
Municipalities							
Current	522	540	640	771	896	991	1 078
Regional Services Council levies	522	540	640	771	896	991	1 078

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Non-profit institutions							
Current	250	272	253	468	496	526	556
SA National Council for the Blind	95	69	152	190	202	214	226
Deaf Federation of South Africa	51	62	88	127	132	140	148
National Council for the Physical Disabled	104	141	13	151	162	172	182
Households (Other transfers to households)							
Current	1 385	890	3 913	1 080	-	-	-
Resignation Packages	1 384	890	3 913	1 080	-	-	-
Ex Gratia payments/Claims against the state	1	-	-	-	-	-	-
Total	2 157	1 702	4 806	2 319	1 392	1 517	1 634

Expenditure trends

With the department's shift in focus towards service delivery and implementation, this programme's expenditure has been prioritised. Receiving 38,4 per cent of the total non-statutory allocation in 2003/04, this represents the largest share of the parliamentary appropriation for the department. On average, allocations will have increased by 14,9 per cent annually for the seven years ending 2006/07. Increases are mainly due to the department centralising direct service delivery in this programme, enhancing service delivery, and more inspections and enforcement of the various labour Acts. Growth in the medium term averages 12,2 per cent per year.

The priority of workplace inspections is visible in the increase of spending on Inspection and Enforcement Services from R153,7 million in 2003/04 to R222,5 million in 2006/07. This went mostly to appointing additional inspectors and increasing capacity for specialised investigations. The restructuring of the department's inspectorate will continue to put pressure on personnel and related administrative expenditure.

The Employment Services subprogramme received a large increase in 2003/04. This is primarily due to restructuring for enhanced service delivery by moving the Employment Services component out of the *Employment and Skills Development Services* programme to *Service Delivery*. This will ensure easier access to work opportunities for both learners exiting the National Skills Development Strategy training programmes and the unemployed.

Service delivery objectives and indicators

Recent outputs

Regarding workplace safety, the blitz inspection strategy was implemented, with a total of 87 815 inspections carried out across the country for the year ending March 2003. Of these, 6 776 employers were not compliant with the various provisions, resulting in the department issuing 3 396 contravention notices, 556 prohibition notices, 914 prosecutions recommended and 1 900 compliance orders. Furthermore, 858 licences for manufacturing explosives were issued, 12 guidelines and standards were promulgated, and 928 electricians were registered.

For the year ending 31 March 2003, the Unemployment Insurance Fund finalised 524 929 applications, compared to 544 000 in the previous reporting period. By the end of June 2003, a total of 536 961 domestic workers had been registered by the UIF. For the 2002/03

financial year, 405 434 claims were approved and paid. For the same period, the fund logged 674 960 unemployment insurance enquiries, of which 95,0 per cent were responded to and resolved within 72 hours. Provincial skills development workshops, which train the unemployed to become self-employed, employers or successful workers, were held in all provincial directorates, with 528 information sessions being held, reaching approximately 38 268 people.

Medium-term output targets

Service Delivery

Measurable Objective: Ensure the effective and efficient implementation of legislation, standards, guidelines and policies in an integrated manner through the provision of inspection and enforcement services, employment and skills development services, and labour market information and statistical services.

Subprogramme	Output	Measure/Indicator	Target
Beneficiary Services	Improve social safety net	Improved claims processing of both UIF and Compensation Fund	Unemployment insurance claims processed and paid within 8 weeks of receiving complete documentation Complete Compensation for Occupational Injuries and Diseases Act claims processed and paid within 90 days
Employment Services	Support to unemployed and exiting learners through National Skills Development Strategy and other related programmes	Extent of active labour market policies (social development initiatives) in line with NSDS equity targets Numbers of employed and unemployed trained and successfully placed Number of unemployed placed in learnerships	Collaboration on at least 50% of identified anchor projects in nodal areas achieved 100% of skills development funding window allocated to social development initiatives and 90% spent by 4 th quarter Achieve 70% placement rate on allocated training projects within 2 months of completion for a period of at least 3 months Achieve NSDS section 18(2) learnership target (of 80 000 learners) in line with equity target by March 2005
Inspection and Enforcement Services	Inspection and enforcement services to ensure compliance with labour legislation	Improved compliance levels with labour legislation and sectoral determination	70% of all inspections and investigations carried out in terms of inspection and enforcement strategy successfully resolved within 60 days 60% of complaints received settled at registration services within 30 days and the remaining 40% within 60 days One integrated blitz inspection organised per quarter per high-risk area or industry, covering all legislation
	Implementation and monitoring of targeted Advocacy and Enforcement Strategy, which is sector and issue specific	Number of accidents, injuries and fatalities in targeted industries	2% per year decrease in number of accidents, injuries and fatalities in targeted industries One occupational health and safety awareness campaign conducted in the agricultural and construction sector or identified critical sectors per quarter
Labour Market Information and Statistics	Collection, collation, analysis and dissemination of labour market information and statistics for various stakeholders	Relevant information produced at regular intervals	Trend analysis reports produced quarterly Reports on strikes, registration and placement of work seekers, complaints and occupational health and safety high-risk sectors and unemployment insurance beneficiaries produced quarterly

Subprogramme	Output	Measure/Indicator	Target
			Client satisfaction survey conducted annually Research published Two complete and accurate research reports on identified research needs compiled and disseminated by March 2005
Occupational Health and Safety	Safe and healthy working environment Improved quality of enforcement through training Learnerships Strengthening of occupational health and safety institutional framework	Number of area focused inspections introduced in the farming sector Number of current inspectors to have undergone targeted training Number of inspectors enrolled and trained through learnership programme Overarching national occupational health and safety policy developed National Occupational Health and Safety Authority in place	Pilot projects in two provinces implemented by August 2004 All departmental inspectors trained by March 2005 400 learner inspectors to enrol and 90% to complete learnership by March 2005 March 2005 March 2005

Programme 3: Employment and Skills Development Services / Human Resources Development

This programme focuses on implementing the National Skills Development Strategy and the National Human Resources Development Strategy. The Minister of Labour adopted the country's first NSDS in February 2001 and this is the key focus of this programme. Five strategic objectives and three equity targets are to be achieved by March 2005. Linked to each strategic objective is at least one measurable success indicator. The equity target requires that 85 per cent of all beneficiaries of the NSDS be black, 54 per cent female and 4 per cent disabled.

The strategic objectives are: developing a culture of high quality life-long learning; fostering skills development in the formal economy; stimulating and supporting skills development in small businesses; promoting skills development for employability and sustainable livelihoods through social development initiatives; and assisting new entrants into employment.

The programme's activities are structured around seven subprogrammes, whose main functions include: ensuring the effective and efficient management of the National Skills Fund in support of the National Skills Development Strategy; ensuring the effective and efficient implementation of the skills development strategy at the sector level through the Setas; providing advice to the Minister of Labour, through the National Skills Authority, regarding skills development policy and implementation progress reports; training staff in relevant skills for implementing legislation; developing a learnership system through a programme called Indlela that increases access to work-based qualifications, and assess the different levels of learning across various fields; and financing the National Productivity Institute, which supports government-led strategic initiatives that affect job creation and retention, productivity and competitiveness.

Expenditure estimates

Table 17.5: Employment and Skills Development Services / Human Resources Development

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	
Skills Development Policy Advice and Planning	3 680	4 388	13 059	8 064	8 444	9 054	9 617	
Skills Development Funding	107 282	27 113	39 948	47 179	48 752	51 803	54 932	
Seta Co-ordination	4 534	5 106	5 029	11 700	17 457	19 424	21 312	
Indlela	21 688	23 554	25 493	26 181	29 672	31 733	33 570	
Training of Staff	82	150	1 320	1 423	1 565	1 676	1 777	
Administrative Auxiliary Services	7 515	7 209	10 091	9 149	11 839	12 687	13 478	
National Productivity Institute	19 275	20 499	20 961	21 834	23 247	24 645	26 123	
Total	164 056	88 019	115 901	125 530	140 976	151 022	160 809	
Change to 2003 Budget Estimate				(21 904)	-	-		

Economic classification

Current payments	41 927	45 457	60 271	66 769	79 006	85 315	91 155
Compensation of employees	8 898	29 438	37 769	48 776	58 147	62 791	67 088
Goods and services	33 029	16 019	22 502	17 993	20 859	22 524	24 067
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-
Transfers and subsidies to:	120 325	40 646	52 619	58 283	61 404	65 094	69 001
Provinces and municipalities	27	92	107	155	184	198	212
Departmental agencies and accounts	100 775	20 000	31 360	36 201	37 973	40 251	42 666
Universities and technikons	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-
Non-profit institutions	19 275	20 499	20 961	21 834	23 247	24 645	26 123
Households	248	55	191	93	-	-	-
Payments for capital assets	1 804	1 916	3 011	478	566	613	653
Buildings and other fixed structures	-	-	869	-	-	-	-
Machinery and equipment	1 804	1 916	2 142	478	566	613	653
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
Total	164 056	88 019	115 901	125 530	140 976	151 022	160 809

Details of transfer payments and subsidies:

Provinces and municipalities							
Municipalities							
Current	27	92	107	155	184	198	212
Regional Services Council levies	27	92	107	155	184	198	212
Departmental agencies and accounts (Entities)							
Current	100 775	20 000	31 360	36 201	37 973	40 251	42 666
National Skills Fund	100 775	20 000	31 360	36 201	37 973	40 251	42 666

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Non-profit institutions							
Current	19 275	20 499	20 961	21 834	23 247	24 645	26 123
National Productivity Institute	19 275	20 499	20 961	21 834	23 247	24 645	26 123
Households (Other transfers to households)							
Current	248	55	191	93	-	-	-
Resignation Packages	248	55	191	93	-	-	-
Total	120 325	40 646	52 619	58 283	61 404	65 094	69 001

Expenditure trends

Spending on skills development from the parliamentary appropriation declined sharply in 2001/02 due to the commencement of funding of the skills strategy from the skills levy, a statutory appropriation. Increasing allocations from 2002/03 were to support accelerating implementation over the medium term. Seta Co-ordination receives additional funding to support the Minister's enhanced powers of intervention in terms of legislative amendments. Finally, some savings on this programme were transferred to *Service Delivery*, strengthening the shift towards policy implementation. Allocations for *Employment and Skills Development Services and Human Resource Development* increase on average by 8,6 per cent per year over the medium term and represent 11,9 per cent of the vote, excluding statutory allocations in 2003/04. Allocations for the National Productivity Institute were originally located under the programme *Labour Policy* but have now been transferred to this programme.

Service delivery objectives and indicators

Recent outputs

The Minister of Labour hosts an annual skills conference, to assess the National Skills Development Strategy's progress in terms of the equity targets and the five strategic objectives. In October 2003 the conference heard that of the twelve success indicators, five have been achieved two years ahead of schedule; in five other areas the department is more or less on schedule. Performance is lagging in only two areas, namely Adult Basic Education and Training (ABET) and new labour market entrants entering learnerships. The strategy also faces challenges for achieving the equity targets, especially those dealing with people with disabilities.

National Skills Fund

Funding available to the National Skills Fund is now largely committed. Achievements against actual expenditure are listed below:

- 18 strategic projects valued at more than R1,2 billion, launched in May 2002, are currently being implemented. It is estimated that a first generation of nearly 400 000 people will be trained under these projects. A total of 13 219 beneficiaries have already completed training, with a further 10 433 currently in training.
- 2 688 undergraduate and 577 post-graduate bursaries in areas of scarce skills have been funded for the 2002 academic year. An additional R100,0 million has been allocated for undergraduate bursaries for 2003.
- 94 173 people were trained through social development initiatives for the 2002/3 financial year.

- R16,0 million has been allocated to nine innovation and research projects that will generate new or improved knowledge around skills development.

Setas

A quarterly monitoring and annual reporting system is currently in place for Setas. For the financial year 2002/03, the following has been achieved:

- A total of 1 398 461 workers were enrolled in structured Seta learning programmes; 330 192 completed their studies exceeding the target contained in the strategy.
- 93 organisations were participating in the Investors in People project, and 23 have achieved recognition.
- 72,0 per cent of employers employing more than 150 workers are claiming their levy grant while 50,4 per cent of employers employing between 50 to 150 workers are claiming grants.
- Government departments have increased their expenditure on training from R561,4 million in 2001/02 to R 620,0 million in 2002/03.
- About 1 600 SMMEs were assisted through special Seta initiatives and 13 000 managed to access grants for training activities. These initiatives benefited 73 589 learners through Seta discretionary grants and National Skills Fund projects.
- The number of registered learnerships increased from 207 to 478. The number of learners under the age of 35 participating in learnerships increased to 8 300 and 17 735 in apprenticeships, giving a total of 26 035 young people participating in such programmes.

Medium-term output targets

Employment and Skills Development Services / Human Resources Development

Measurable Objective: Achieve the success indicators of the 2004/05 National Skills Development Strategy targets through the performance management of service level agreements with 25 Setas and the efficient and effective management of the National Skills Fund.

Subprogramme	Output	Measure/Indicator	Target
Skills Development Funding	Funding allocation to projects and programmes and monitoring of projects	Proportion of available funds spent and committed Percentage of project achievements against project plan	At least 75% of available funds spent or committed by March 2005 At least 75% of project outcomes achieved by March 2005
Seta Co-ordination	Seta performance managed Setas supported to fulfil legislative obligations	Performance indicators and service level agreements concluded and regularly managed with all Setas Timely assessments and annual and other reports compiled and tabled to National Skills Authority, National Treasury, the Minister and Parliament on agreed schedules Number of youth in learnerships and percentage placed in jobs after completion	At least 15 Setas achieve satisfactory assessments against service level agreement indicators, underperformance identified, remedial action agreed and implemented by the end of February each year Quality reports and assessment produced and tabled quarterly Minimum of 80 000 youth in learnerships by March 2005 with 50% placed within 6 months of completion

Subprogramme	Output	Measure/Indicator	Target
Indlela	<p>Assessment services maintained while transforming Indlela institution</p> <p>New policy and implementation plan on the future of Indlela supported by social partners and approved by the Minister for implementation</p>	<p>Apprenticeships assessment services and certification maintained until a date determined by the Minister</p> <p>Indlela transformed to provide entrepreneurial skills to the youth, the unemployed and workers of SMMEs and to maintain and improve trade, required prior learning and learnership assessment</p>	<p>100% of information related to all apprentices and section 28 required prior learning candidates assessed at Indlela provided</p> <p>Support by social partners and approval by the Minister of Labour by March 2005</p>
Administrative Auxiliary Services	<p>Employment and Skills Development Services and Human Resources Development (ESDS and HRD) branch strategy defined</p> <p>ESDS and HRD branch strategy and policy processes managed</p>	<p>ESDS and HRD obligations from Growth and Development Summit, human resources development strategy, National Qualifications Framework and National Skills Development Strategy incorporated into branch workplan</p> <p>Branch workplan delivered on time to required quality</p> <p>Timely and quality assessment of performance of the branch against its workplan</p> <p>Legal obligations of Department of Labour met</p>	<p>Branch workplan signed by the Director-General by February 2005</p> <p>2005/06 workplan finalised by February 2005</p> <p>At least 80% of workplan targets reached</p> <p>Quarterly and annual assessment reports of programme undertaken</p> <p>Skills Development Amendment Act and regulations passed by March 2005</p>

Programme 4: Labour Policy and Labour Market Programmes

This programme is responsible for creating an equitable and sound labour relations environment, including international labour relations, through research, analysis and evaluation of labour policy and providing statistics on the labour market. It also provides support to the Commission for Conciliation, Mediation and Arbitration. The CCMA is a statutory body established in terms of the Labour Relations Act (66 of 1995) to provide conciliation and arbitration services. The National Economic Development and Labour Council promotes economic growth, participation in economic decision-making and social equity by seeking consensus and agreements on social and economic policy and all proposed labour legislation between community organisations, labour, business and government.

Expenditure estimates

Table 17.6: Labour Policy and Labour Market programmes

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Labour Relations	149 376	166 825	181 354	190 545	216 125	228 978	241 227
Labour Policy	8 509	3 206	4 488	6 831	7 408	7 933	8 403
International Labour Matters	7 712	14 766	22 344	22 844	26 439	29 745	32 893
Nedlac	6 729	16 396	7 366	7 823	9 146	10 135	11 153
Sheltered Employment	33 661	47 760	44 216	37 463	40 774	43 679	46 719
Total	205 987	248 953	259 768	265 506	299 892	320 470	340 395
Change to 2003 Budget Estimate				13 578	4 364	7 482	
Economic classification							
Current payments	20 631	28 157	39 649	48 279	59 130	65 187	70 885
Compensation of employees	12 115	14 670	17 388	28 564	34 984	38 568	41 939
Goods and services	8 516	13 487	22 261	19 715	24 146	26 619	28 946
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies to:	179 148	220 483	219 655	216 767	240 199	254 662	268 834
Provinces and municipalities	37	44	52	89	109	120	131
Departmental agencies and accounts	168 589	205 415	198 112	201 922	223 097	236 062	248 782
Universities and technikons	–	–	–	–	–	–	–
Foreign governments & international organisations	6 036	10 754	15 508	9 000	11 023	12 152	13 214
Public corporations & private enterprises	–	–	–	–	–	–	–
Non-profit institutions	4 246	4 267	5 966	5 632	5 970	6 328	6 707
Households	240	3	17	124	–	–	–
Payments for capital assets	6 208	313	464	460	563	621	676
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	6 204	313	464	460	563	621	676
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	4	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
<i>Of which: Capitalised compensation</i>	–	–	–	–	–	–	–
Total	205 987	248 953	259 768	265 506	299 892	320 470	340 395
Details of transfer payments and subsidies:							
Provinces and municipalities							
Municipalities							
Current	37	44	52	89	109	120	131
Regional Service Council levies	37	44	52	89	109	120	131
Departmental agencies and accounts (Entities)							
Current	168 589	205 415	198 112	201 922	223 097	236 062	248 782
Commission for Conciliation, Mediation and Arbitration	127 000	136 616	145 740	155 514	172 651	182 149	191 222
Ditsela	6 500	10 070	8 130	7 932	8 408	8 912	9 447
Subsidised Work-Centers for the Disabled	28 360	42 333	36 876	30 653	32 892	34 866	36 960
National Economic Development and Labour Council	6 729	16 396	7 366	7 823	9 146	10 135	11 153

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03				
Foreign governments and international organisations							
Current	6 036	10 754	15 508	9 000	11 023	12 152	13 214
International Labour Organisation	5 533	10 000	14 358	7 800	8 500	9 500	10 500
Arlac	503	754	1 150	1 200	2 523	2 652	2 714
Non-profit institutions							
Current	4 246	4 267	5 966	5 632	5 970	6 328	6 707
Subsidised Workshops for the Blind	4 246	4 267	5 966	5 632	5 970	6 328	6 707
Households (Other transfers to households)							
Current	240	3	17	124	-	-	-
Resignation Packages	240	3	17	124	-	-	-
Total	179 148	220 483	219 655	216 767	240 199	254 662	268 834

Expenditure trends

Labour Policy and Labour Market Programmes is a new programme that integrates *Labour Policy*, *Labour Relations*, *Auxiliary and Associated Services* (comprising the International Labour Matters as well as Nedlac subprogrammes) and the Sheltered Employment Factories. Expenditure for the programme increased at an average annual rate of 8,8 per cent for the period 2000/01 to 2003/04, and continues to increase at an annual rate of 8,6 per cent over the medium term. Additional funding has been allocated to Nedlac over the medium term to monitor progress in terms of the agreements signed by the key stakeholders at the Growth and Development Summit.

Service delivery objectives and Indicators

Recent outputs

Amendments to the Labour Relations Act and Basic Conditions of Employment Act were promulgated to maximise efficiency in the operation of the labour market. By April 2003, sectoral wage and working conditions were determined for domestic workers, farm workers, contract cleaners, retail sector workers and private security employers. Variations to several of the sectoral determinations were granted to those employers who proved that they could not comply. Currently, an extensive investigation is being undertaken to address farmers' applications requesting permission from the Minister to deviate from the sectoral wage determination in their sector. The department intends to ensure that the amendments to the various Acts and the new regulations are successfully implemented. The CCMA will accelerate dispute resolution through a one-step conciliation and arbitration process. Facilitation services are provided to both employers and employees in terms of large-scale retrenchments. An additional achievement was the publishing in 2003 of technical assistance guidelines for employers and their employees regarding HIV and Aids and disability in terms of the Employment Equity Act.

Medium-term output targets

Labour Policy and Labour Market Programmes

Measurable objective: Establish an equitable and sound labour relations environment and international relations, through research, analysis and evaluation of labour policy and providing data and statistics on the labour market, including providing support to the institutions that promote social dialogue (CCMA and Nedlac).

Subprogramme	Output	Measure/Indicator	Target
Labour Relations	<p>Representative and efficient functioning of bargaining councils</p> <p>Registration of trade unions, employers organizations and bargaining and statutory councils</p> <p>Co-ordinated Growth and Development Summit task team on employment equity</p> <p>Determine minimum conditions of employment and wages for vulnerable workers in various sectors</p> <p>Conditions of employment and wages aligned with collective bargaining trends</p> <p>Implement national programme of action on the elimination of child labour</p>	Timely verification of the representivity of bargaining councils	Annual verification by March 2003
		Identify sectors for new bargaining councils and draw up a plan to promote	Ongoing as per request by parties involved within 90 days
		Percentage and number of legitimate labour organisations registered in terms of section 95(8) guidelines issued by Minister	70% of all new applications and 300 of existing ones processed
		Task team set up	October 2004
		Quality report on progress results	March 2005
		Sectoral minimum conditions of employment and wages published within the set time frame	Welfare: April 2004 Hospitality: April 2005 Contract cleaning: July 2004 Review of 2 existing wage determinations finalised by April 2006 Agricultural demarcation reviewed April 2006
		Report on trends published within set time frames	Report to Commission for Employment Equity April 2005
		Implementation strategy and policy developed and presented to Cabinet	Approved by Cabinet and implemented by March 2005
		Worst forms of child labour identified	March 2005
		Time-bound pilot programmes implemented, monitored and managed	March 2005
Labour Policy	<p>Analysis of impact of policies on the labour market, and policy advice</p> <p>Quality and co-ordinated reports on Growth and Development Summit implementation progress within government</p> <p>Generate databases for analysis of labour statistics</p>	Number and quality of research papers, and briefings and advice	9 policy research papers and projects by the end of 2004/05
		Number of summit progress reports compiled	90% of all the briefing of high quality delivered on time by the end of 2004/05 6 reports by the end of 2004
		Number of databases on strikes, skills, work seekers and wage settlement produced within set time frame	4 databases established and maintained by the end of 2004/05
		Departmental child labour desk implemented and operational	March 2005
Sheltered Employment	Restructuring of sheltered employment factories	Conduct research, conclude investigation and develop a turnaround strategy	Strategy agreed by March 2005
National Economic Development and Labour Council (Nedlac)	Transfer payment to Nedlac	Percentage of negotiations engaging business, labour, the community and government to reach consensus	80% of agreements concluded
		Monitor, evaluate and report on the progress of the agreements signed by the stakeholders at the Growth and Development Summit	Report due in March 2004

Subprogramme	Output	Measure/Indicator	Target
International Labour Matters	International Labour Organisation governing body meetings and International Labour Conferences	Participate as titular member in all governing body meetings and the International Labour Conferences	100% attendance at all meetings and conferences

Programme 5: Social Insurance

Social Insurance provides for administrative and other support services to the UIF and the Compensation Fund. The department contributes to the Unemployment Insurance Fund and provides for the compensation of civil servants in case of accidents or illnesses while on duty.

Expenditure estimates

Table 17.7: Social Insurance

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	
Unemployment Insurance	7 000	612 000	327 000	7 001	7 000	7 000	7 000	
Compensation Fund	10 453	7 891	11 483	12 638	14 540	15 427	16 353	
Total	17 453	619 891	338 483	19 639	21 540	22 427	23 353	
Change to 2003 Budget Estimate				(250 000)	(150 002)	(2)		

Economic classification

Current payments	-	-	-	2	-	-	-
Compensation of employees	-	-	-	2	-	-	-
Goods and services	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-
Transfers and subsidies to:	17 453	619 891	338 483	19 637	21 540	22 427	23 353
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	17 453	619 891	338 483	19 637	21 540	22 427	23 353
Universities and technikon	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Of which: Capitalised compensation	-	-	-	-	-	-	-
Total	17 453	619 891	338 483	19 639	21 540	22 427	23 353

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			

Details of transfer payments and subsidies:

Departmental agencies and accounts (Social security funds)							
Current	17 453	619 891	338 483	19 637	21 540	22 427	23 353
Unemployment Insurance Fund	7 000	612 000	327 000	7 000	7 000	7 000	7 000
Compensation Fund	10 453	7 891	11 483	12 637	14 540	15 427	16 353
Total	17 453	619 891	338 483	19 637	21 540	22 427	23 353

Expenditure trends

In 2001/02, R1,3 billion was earmarked for the UIF over four years, to deal with persistent deficits and to assist the fund to develop a turnaround strategy. The successes achieved in the turnaround strategy resulted in the allocations for 2003/04 and 2004/05 being deferred to the National Revenue Fund. Further requirements will be assessed annually. This programme's expenditure grows at an average of 5,9 per cent per year over the medium term, primarily due to provisions made to the Compensation Fund for administrative costs relating to injuries on duty by civil servants.

Service delivery objectives and indicators**Recent outputs**

The turnaround strategy has yielded cash surpluses since March 2003, with the UIF being able to raise a projected surplus of R7,4 billion by 2007 as recommended by its actuaries. The key challenge for the fund now is to improve service delivery and sustain the gains it has made to ensure that it remains financially sound. This involves recruitment and re-skilling of staff, especially in the financial area, as well institutional reform to support the new business environment.

Medium-term output targets**Social Insurance**

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

Subprogramme	Output	Measure/Indicator	Target
Unemployment Insurance Fund	Effective and sustainable UIF	Improved revenue collection and distribution of funds	Fund revenue flows improve by 10% compared to 2003/04 80% of claims finalised within 4 weeks
	Improved service delivery	Speedier processing of claims and entries into the database Processing times for memberships and benefit applications	All entries into the database finalised within a week of receipt from the employer
	Build reserves	Percentage of reserves provided for	Build at least 30% of the reserve recommended by the actuary per year over the medium term

Subprogramme	Output	Measure/Indicator	Target
	Institutional reform and re-skilling and recruitment of appropriate resources	Percentage of staff re-skilled Percentage of new, skilled staff recruited	Re-skill at least 80% of existing staff At least 10% more skilled people recruited
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

Public entities reporting to the Minister

Commission for Conciliation, Mediation and Arbitration

The Commission for Conciliation, Mediation and Arbitration was established in terms of the Labour Relations Act (66 of 1995) as amended. 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.

For the financial year ended March 2003, a total of 118 051 disputes were referred to the CCMA, averaging 470 referrals per working day. The number of referrals received during this period represented a 6,7 per cent increase over the number of referrals received during the previous financial year, with 71,0 per cent of these disputes being settled by conciliation. The CCMA launched a national multilingual call centre in June 2002 to deal with requests for labour-related advice and CCMA case-related queries. The call centre dealt with 122 797 calls from the public. The CCMA's dispute prevention department conducted various dispute prevention activities including public awareness raising, strategic facilitations as well as workshops for 1 770 external participants.

Additional allocations of R7,2 million in 2004/05, followed by R6,8 million the year after and R5,4 million for 2006/07 have been made to assist the commission in addressing the increased workload that resulted from the amendments to the Labour Relations Act. Government transfers to the CCMA amounted to R155,5 million in 2003/04 and are projected to increase to R191,2 million by 2006/07. Growth averages 7,1 per cent per year over the medium term.

National Economic Development and Labour Council

The National Economic Development and Labour Council's aim is to build consensus by tripartite participation in decision-making on labour and socio-economic matters. Nedlac considers all proposed labour legislation and 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, organisations of community and development interest, and representatives of government. The chambers report to a management committee, which is overseen by an executive council, and to an annual national summit.

The most important achievement for Nedlac in the past 12 months has been the successful convening of the Growth and Development Summit. Over a six-week period, Nedlac constituencies fashioned a far-reaching agreement that established a series of joint commitments from the various stakeholders on growth and development. The summit agreement, signed on 7 July 2003, mainstreams decent work and identifies 'more and better work for all' as the key objective of the summit. Furthermore, investment has been directed towards socially responsible initiatives.

The agreement identifies the skills challenge as a major area of partnership, promotes and boosts the Proudly South African campaign for local procurement, and identifies co-operatives as a key form of enterprise that contribute to both employment generation and social equity outcomes. As Nedlac is primarily responsible for monitoring the progress and implementation of the Growth and Development Summit agreement, an additional government allocation amounting to R4,5 million over the MTEF period has been granted.

Transfers to the organisation for 2001/02 amounted to R16,4 million, which included the purchase of a building. Government transfers for 2003/04 amounted to R7,8 million and will increase by 12,6 per cent on average per year over the medium term to R11,2 million.

Unemployment Insurance Fund

The Unemployment Insurance Fund contributes to the alleviation of poverty in South Africa by providing effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits, and by assisting them in finding re-employment. To meet these objectives, the fund: extends unemployment insurance coverage to all workers, including domestic and farm workers; provides an equitable and affordable benefit structure; provides an effective and accessible service to all stakeholders; and contributes to discussions about the development of a comprehensive social security system in South Africa. The fund is financed by a dedicated tax on the wage bill, where employers and employees each contribute one per cent of earnings. The Unemployment Insurance Contributions Act (4 of 2002) facilitates revenue collection through the South African Revenue Service, which is subsequently transferred to the fund. From 1 April 2003, domestic and seasonal workers are covered by the fund. The new Unemployment Insurance Act (63 of 2001) entitles a beneficiary to accumulate 238 days of credit over a rolling four-year period, thus decreasing the number of fraudulent claims and the number and size of benefits paid.

The fund changed the financial year-end from the last day of December to 31 March, in order to comply with the requirements of the Public Finance Management Act (1 of 1999)(PFMA). In 2000, a total of 674 000 claims were approved. This decreased to 569 000 claims for the 15-month period ending March 2003. While the overall number of claims approved has declined, the unemployment benefit decreased by 14,9 per cent from 2001, while all the other benefits show marginal increases. Total benefits paid for the 15-month period ending March 2003, amounted to R2,4 billion, decreasing by 16,6 per cent from R2,8 billion in 2001. This was largely driven by unemployment benefit claims (81,4 per cent of total claims) which absorbed 85,8 per cent of the total benefits paid.

In 2001, R605,0 million was allocated to the fund to alleviate cash flow shortfalls. A total of R1,3 billion was allocated to the fund over a four-year period. The new legislation came into effect on 1 April 2002, resulting in a R1,7 billion increase in contributions in 2002/03. The inclusion of domestic and seasonal workers, effective 1 April 2003, further boosted contributions. Expenditure in the medium term increases at an average annual rate of 18,1 per cent stemming from the wider base of beneficiaries now contributing to the fund. The healthy surplus position resulted in R400,0 million of the earmarked allocation being withdrawn for the 2003/04 and 2004/05 financial years. A R3,6 billion cash surplus is expected for the 2003/04 financial year, with stable increases in cash surplus of just over R3,1 billion per year over the medium term.

Table 17. 8 Summary of revenue and expenses for the Unemployment Insurance Fund

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R Thousand	2000/01	2001/02	2002/03	2003/04			
Revenue							
Tax revenue	2 752 724	2 801 345	4 486 250	5 545 148	5 683 000	5 812 000	5 987 000
Non-tax revenue	92 720	43 515	91 966	250 000	544 000	804 000	999 000
Sale of capital assets	48	65	51	–	–	–	–
Transfers received	7 000	612 000	327 000	7 000	7 000	7 000	7 000
Total revenue	2 852 492	3 456 925	4 905 266	5 802 148	6 234 000	6 623 000	6 993 000
Expenses							
Current expenses	3 069 659	2 867 328	2 389 341	2 217 744	2 924 000	3 425 000	3 651 000
Compensation of employees	142 794	158 532	184 050	214 000	275 000	292 000	309 000
Goods and services	176 757	149 924	272 528	249 300	349 000	370 000	392 000
Transfer payments and subsidies	2 729 266	2 554 026	1 931 256	1 744 044	2 252 000	2 712 000	2 896 000
Other expenditure	20 842	4 846	1 508	10 400	48 000	51 000	54 000
Capital expenditure	1 607	1 002	27 082	2 440	2 026	2 325	2 325
Transfer payments	–	–	–	–	–	–	–
Fixed assets	1 607	1 002	27 082	2 440	2 026	2 325	2 325
Land and subsoil assets	–	–	–	–	–	–	–
Total expenses	3 071 266	2 868 330	2 416 423	2 220 184	2 926 026	3 427 325	3 653 325
Surplus / (Deficit)	(218 774)	588 595	2 488 843	3 581 964	3 307 974	3 195 675	3 339 675

Audited financial statements for 2000/01, 2001/02 and 2002/03 adjusted for 12 months.

Data provided by the Unemployment Insurance Fund

Sector Education and Training Authorities

In March 2000, the Minister of Labour established 25 Sector Education and Training Authorities (Setas) in order to promote skills development in the various economic sectors as per section 9(i) of the Skills Development Act. The Setas have replaced the old industrial training boards as key promoters of training. Their main tasks are: to study their sector and then develop sector skills plans; to identify where learnerships are required and, once identified, to design, market and register these learnerships; to act as an Education Training Qualification Assurance for standards and qualifications in their relevant sectors; to disburse funds from the National Skills Development Levy; and to provide information about their sector to employment services.

All 25 Setas have signed memoranda of understanding and relevant service level agreements with the Department of Labour to ensure compliance with the National Skills Development Strategy. More importantly, in terms of the Growth and Development Summit, business and government agreed to register at least 72 000 unemployed learners by May 2004. Funding this target should come from the Setas in the first instance with possible support from the National Skills Fund.

In 2003/04, the Setas are expected to accumulate cash surpluses amounting to R994,7 million. For the same year, however, the consolidated operating surplus for the Setas is only R514,4 million. This is directly attributable to the multi-year training projects and can be seen by the increase in both the provisions and accounts payable. Cash surpluses decline steadily over the medium term, from R779,7 million in 2004/05 to R605,9 million in 2006/07.

Table 17.9 Summary of revenue and expenses for the Consolidated Sector Education and Training Authorities

	Outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R Thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	19 653	107 813	275 406	303 506	364 207	400 628	440 690
Sale of goods and services other than capital assets	2 172	16 182	34 726	–	–	–	–
<i>Of which:</i>							
Admin fees	535	3 859	1 784	–	–	–	–
Interest	1 637	12 323	32 942	–	–	–	–
Other non-tax revenue	17 481	91 631	240 680	303 506	364 207	400 628	440 690
Transfers received	946 123	2 205 286	2 879 668	2 960 000	3 440 000	3 600 000	3 760 000
Sale of capital assets	64	6	4 228	200	–	500	–
Total revenue	965 840	2 313 105	3 159 302	3 263 706	3 804 207	4 001 128	4 200 690
Expenses							
Current expenses	169 390	285 662	588 148	871 240	1 016 382	1 006 899	1 091 380
Compensation of employees	50 035	97 739	134 983	185 662	213 511	251 943	277 137
Use of goods and services	114 611	180 619	436 337	668 090	783 406	734 633	793 401
Depreciation	4 425	7 185	15 133	16 888	18 829	19 636	20 086
Interest, dividends and rent on land	319	119	1 695	600	636	687	756
Transfers and subsidies	353 645	1 091 762	1 707 361	1 878 097	2 456 839	2 743 775	2 970 765
Total expenses	523 035	1 377 424	2 295 509	2 749 337	3 473 221	3 750 674	4 062 145
Surplus / (Deficit)	442 805	935 681	863 793	514 369	330 986	250 454	138 545
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 017	3 006	14 239	16 888	18 829	19 636	20 086
Operating surplus / (deficit) before changes in working capital	443 822	938 687	878 032	531 257	349 815	270 090	158 631
Changes in working capital	85 486	414 371	109 631	501 466	470 960	474 659	495 268
Cash flow from operating activities	529 308	1 353 058	987 663	1 032 723	820 775	744 749	653 899
<i>Of which: Transfers from government</i>	<i>721 475</i>	<i>2 034 129</i>	<i>2 611 797</i>	<i>2 960 000</i>	<i>3 440 000</i>	<i>3 600 000</i>	<i>3 760 000</i>
Cash flow from investing activities	18 654	(99 665)	(81 544)	(38 065)	(41 110)	(44 399)	(47 951)
Cash flow from financing activities	43 901	46 391	(2 697)	–	–	–	–
Net increase / (decrease) in cash and cash equivalents	591 863	1 299 784	903 422	994 658	779 665	700 350	605 948

Data provided by the Sector Education and Training Authorities.

Umsobomvu Youth Fund

The Umsobomvu Youth Fund (UYF) was established in January 2001 by government, and was mandated to facilitate and promote the creation of jobs and skills development among young South Africans (18 to 35 years old). The fund was funded through the proceeds from the De-mutualisation Levy Act (50 of 1998), and fulfils its mandate by making strategic investments that facilitate opportunities for young people to acquire skills, to access job opportunities, or to pursue meaningful self-employment opportunities through various enterprise initiatives. The following initiatives will be pursued in 2004:

- Announcement of the youth line: The call centre is operational and has received more than 45 000 calls in 6 months. This project was initiated by the National Youth Commission, and the UYF is expanding on it and taking it to scale.
- Launch of the youth card: This card enables the UYF and government to communicate with young people. By purchasing the card, young people become eligible for discounts on goods and

services while the UYF receives their personal information, which can then be used to provide the youth with information to promote their skills and entrepreneurial development.

- Rollout of the National Youth Service Programme: This programme is led by The Presidency in conjunction with the National Youth Commission, the Department of Labour, various government departments and other partners. The Cabinet adopted the National Youth Strategic Programme during 2003, and the UYF is the key player in ensuring that between 7 000 and 10 000 young people are trained in 2004. This number will grow every year and hopefully reach up to 30 000 unemployed young people per year.
- Increased rollout of the entrepreneurship education programme: This programme promotes entrepreneurial skills by providing unemployed youth with the necessary skills to start and run a business. A pilot project will be launched during 2004, with training taking place at the Technikon of Tshwane. Since its inception, the UYF has implemented the entrepreneurship finance programme that has assisted more than 385 young business people get access to finance. Two public-private partnership funds were established with Business Partners and FirstRand. FirstRand aims to invest an additional R160 million in this initiative because of the Financial Services Charter. One core principle of the charter is to promote expanding access to finance.
- Increased rollout of all existing programmes including information, skills development and entrepreneurship programmes.

National Productivity Institute

The National Productivity Institute (NPI) is dedicated to developing and enhancing South Africa's productive capacity. This programme is aimed at supporting government-led strategic initiatives that affect job creation, retention, productivity and competitiveness. The NPI's interventions aim to: encourage social dialogue and collaboration between social partners; promote job creation, job retention and poverty alleviation; and encourage high value-adding processes, best practices and world-class competitiveness through productivity improvement.

For the financial period April 2003 to date, 91 new Future Forums were established, of which 53 are active. The forums allow social dialogue and collaboration between social partners in order to promote job retention, redeployment and reskilling of retrenched workers. The Future Forums' turnaround or redeployment strategies have impacted on approximately 7 450 jobs. Moreover, eight sector initiatives in potential growth sectors have been established. The Logistics Accreditation Project was awarded a Gold Award from Logistics Achiever Awards. In the workplace challenge programme, 62 companies across 11 sectors have embarked on productivity improvement through collaboration at the workplace. R11,0 million was transferred from Department of Trade and Industry during October 2003 for this initiative. The SMME and community productive capacity development programme reached 272 SMME service providers. The programme enhanced the productivity awareness of 99 entrepreneurs with disabilities – 59 more than originally anticipated. An extra 21 service providers, working with people with disabilities, were reached as well.

Government transfers to the NPI amount to R21,8 million in 2003/04 and increase by 6,2 per cent per year over the medium term.

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 Compensation Fund changed the financial year-end from the last day of February to 31 March, in order to comply with the requirements of the PFMA.

For the 13 months ending March 2003, 42 693 awards for compensation relating to injury on duty were approved. This is a decrease of nearly 6 per cent compared to the previous year. Repudiated claims increased from 1 798 in 2001/02 to 3 307 in 2002/03 due to the numerous cases made for hearing loss and post-traumatic stress disorder that could not be accepted. Claims paid to beneficiaries amounted to R471,0 million in 2002/03, with R261,0 million for pension claims and R1,2 billion for medical treatment.

The Compensation Fund showed a deficit of R45,5 million in 2002/03 due to the reduction in the backlogs and rising medical costs. Expected cash surpluses in the 2003/04 financial year amount to R864,1 million and decline to R769,3 million in 2006/07.

Table 17.10 Summary of revenue and expenses for the Compensation Fund

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
R Thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Revenue							
Tax revenue	1 544 752	1 723 209	1 951 902	2 512 126	2 696 316	2 858 095	3 029 580
Non-tax revenue	363 434	387 898	459 262	491 176	464 039	465 177	466 400
Sale of capital assets	85	147	–	59	550	60	64
Transfers received	–	–	–	–	–	–	–
Total revenue	1 908 271	2 111 254	2 411 164	3 003 361	3 160 905	3 323 332	3 496 044
Expenses							
Current expenses	1 369 822	1 601 343	2 443 192	2 132 728	2 442 734	2 565 002	2 718 902
Compensation of employees	62 082	68 655	93 400	75 825	80 337	85 157	90 266
Goods and services	191 577	300 390	326 320	311 245	355 747	352 796	373 964
Transfer payments and subsidies	1 116 163	1 232 298	2 023 472	1 745 658	2 006 650	2 127 049	2 254 672
Other expenditure	–	–	–	–	–	–	–
Capital expenditure	6 918	6 187	13 476	6 558	6 952	7 369	7 811
Transfer payments	–	–	–	–	–	–	–
Fixed assets	6 918	6 187	13 476	6 558	6 952	7 369	7 811
Land and subsoil assets	–	–	–	–	–	–	–
Total expenses	1 376 740	1 607 530	2 456 668	2 139 286	2 449 686	2 572 371	2 726 713
Surplus / (Deficit)	531 531	503 724	(45 504)	864 075	711 219	750 961	769 331

Audited financial statements for 2002/03 adjusted for 12 months.

Data provided by the Compensation Fund

Annexure

Vote 17: Labour

Table 17.11: Summary of expenditure trends and estimates per programme

Table 17.12: Summary of expenditure trends and estimates per economic classification

Table 17.13: Summary of expenditure on training

Table 17.14: Summary of information and communications technology expenditure

Table 17.15: Summary of official development assistance expenditure

Table 17.16: Summary of expenditure on infrastructure

Table 17.17: Summary of departmental public-private partnership projects

Table 17.11: 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	2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03			2003/04			2004/05	2005/06	2006/07
1 Administration	95 687	167 935	226 563		210 840	27 716	238 556	238 556	251 886	269 282	285 487
2 Service Delivery	248 544	272 046	342 311		411 248	(6 341)	404 907	404 907	477 439	526 275	571 566
3 Employment and Skills Development Services/ Human Resources Development	164 056	88 019	115 901		147 434	(21 904)	125 530	125 530	140 976	151 022	160 809
4 Labour Policy and Labour Market Programmes	205 987	248 953	259 768		251 928	13 578	265 506	265 506	299 892	320 470	340 395
5 Social Insurance	17 453	619 891	338 483		269 639	(250 000)	19 639	19 639	21 540	22 427	23 353
Subtotal	731 727	1 396 844	1 283 026		1 291 089	(236 951)	1 054 138	1 054 138	1 191 733	1 289 476	1 381 610
Direct charge on the National Revenue Fund	901 676	2 541 016	3 259 460		3 600 000	-	3 600 000	3 700 000	4 300 000	4 500 000	4 700 000
Sector Education and Training Authorities	721 475	2 034 129	2 611 797		2 880 000	-	2 880 000	2 960 000	3 440 000	3 600 000	3 760 000
National Skills Fund	180 201	506 887	647 663		720 000	-	720 000	740 000	860 000	900 000	940 000
Total	1 633 403	3 937 860	4 542 486		4 891 089	(236 951)	4 654 138	4 754 138	5 491 733	5 789 476	6 081 610
Change to 2003 Budget Estimate							(236 951)	(136 951)	300 112	271 206	

Table 17.12: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Medium-term expenditure estimate					
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03							
R thousand										
Current payments										
Compensation of employees	226 300	259 611	306 468	383 140	3 220	386 360	386 360	454 888	499 400	540 503
- Salaries and wages	187 842	217 852	256 848	325 863	2 220	328 083	328 083	386 562	424 356	459 257
- Social contributions	38 458	41 759	49 620	57 277	1 000	58 277	58 277	68 326	75 044	81 246
Goods and services	147 987	214 204	240 291	294 851	(3 656)	291 195	291 195	343 813	373 639	401 105
Interest and rent on land										
- Interest	-	-	-	-	-	-	-	-	-	-
- Rent on land	-	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	162	47	646	47		47	47			
Unauthorised expenditure										
Total current payments	374 449	473 862	547 405	678 038	(436)	677 602	677 602	798 701	873 039	941 608
Transfers and subsidies to:										
Provinces and municipalities	671	776	908	1 146		1 146	1 146	1 345	1 476	1 598
- Provinces	-	-	-	-	-	-	-	-	-	-
- Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-
- Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-
- Municipalities	671	776	908	1 146		1 146	1 146	1 345	1 476	1 598
- Municipalities	671	776	908	1 146		1 146	1 146	1 345	1 476	1 598
- Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 188 493	3 386 322	3 827 415	4 104 635	(246 875)	3 857 760	3 957 760	4 582 610	4 798 740	5 014 801
- Social security funds	17 453	619 891	338 483	269 637	(250 000)	19 637	19 637	21 540	22 427	23 353
- Departmental agencies (non-business entities)	1 171 040	2 766 431	3 488 932	3 834 998	3 125	3 838 123	3 938 123	4 561 070	4 776 313	4 991 448

Table 17.12: Summary of expenditure trends and estimates per economic classification (continued)

	Expenditure outcome				Medium-term expenditure estimate					
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2000/01	2001/02	2002/03					2004/05	2005/06	2006/07
R thousand										
Universities and technicians	-	-	-	-	-	-	-	-	-	
Foreign governments & international organisations	6 036	10 754	15 508	9 000	-	9 000	9 000	11 023	12 152	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
- Public corporations	-	-	-	-	-	-	-	-	-	
- Subsidies on production	-	-	-	-	-	-	-	-	-	
- Other transfers	-	-	-	-	-	-	-	-	-	
- Private enterprises	-	-	-	-	-	-	-	-	-	
- Subsidies on production	-	-	-	-	-	-	-	-	-	
- Other transfers	-	-	-	-	-	-	-	-	-	
Non-profit institutions	23 771	25 038	27 180	27 934	-	27 934	27 934	29 713	31 499	
Households	1 873	948	4 121	1 297	-	1 297	1 297	-	-	
- Social benefits	-	-	-	-	-	-	-	-	-	
- Other transfers to households	1 873	948	4 121	1 297	-	1 297	1 297	-	-	
Total transfers and subsidies	1 220 844	3 423 838	3 875 132	4 144 012	(246 875)	3 897 137	3 997 137	4 624 691	4 843 867	5 062 999
Payments on capital assets										
Buildings and other fixed structures	2 954	22 583	103 004	65 105	10 360	75 465	75 465	63 641	67 459	69 599
- Buildings	2 954	22 583	102 135	65 105	10 360	75 465	75 465	63 641	67 459	69 599
- Other fixed structures	-	-	869	-	-	-	-	-	-	-
Machinery and equipment	35 152	17 575	16 945	3 931	-	3 931	3 931	4 697	5 107	7 400
- Transport equipment	-	-	-	-	-	-	-	-	-	-
- Other machinery and equipment	35 152	17 575	16 945	3 931	-	3 931	3 931	4 697	5 107	7 400

Table 17.12: Summary of expenditure trends and estimates per economic classification (continued)

R thousand	Expenditure outcome				Revised estimate	Medium-term expenditure estimate		
	Audited		Preliminary outcome	Adjusted appropriation		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03					
Cultivated assets	-	-	-	-	-	-	-	
Software and other intangible assets	4	2	-	3	3	4	4	
Land and subsoil assets	-	-	-	-	-	-	-	
<i>Of Which: Capitalised compensation</i>	-	-	-	-	-	-	-	
Total payments on capital assets	38 110	40 160	119 949	69 039	79 399	72 570	77 003	
Total	1 633 403	3 937 860	4 542 486	4 891 089	4 654 138	5 789 476	6 081 610	

Table 17.13: Summary of personnel numbers and compensation of employees¹

Personnel numbers	2000/01	2001/02	2002/03	2003/04	2004/05
1 Administration	189	375	447	458	458
2 Service Delivery	2 769	2 738	2 877	2 898	2 898
3 Employment and Skills Development Services/ Human Resources Development	312	372	425	367	367
4 Labour Policy and Labour Market Programmes	220	115	123	149	149
5 Social Insurance	-	-	-	-	-
Total	3 490	3 600	3 872	3 872	3 872
Total compensation of employees (R thousand)	226 300	259 611	306 468	386 360	454 888
Unit cost (R thousand)	64.8	72.1	79.1	99.8	117.5

¹ Full-time equivalent

Table 17.13: Summary of expenditure on training

	Expenditure outcome					Medium-term expenditure estimate		
	Audited		Preliminary outcome		Adjusted appropriation	2004/05		2006/07
	2000/01	2001/02	2002/03	2003/04		2005/06	2006/07	
R thousand								
1 Administration	708	1 215	1 272	1 386	7 873	1 469	1 557	
2 Service Delivery	3 568	4 206	3 637	3 857	4 529	4 231	4 263	
3 Employment and Skills Development Services/ Human Resources Development	522	1 500	1 525	1 543	1 636	1 734	1 831	
4 Labour Policy and Labour Market Programmes	829	436	465	395	418	445	472	
5 Social Insurance	—	—	—	—	—	—	—	
Total	5 627	7 357	6 899	7 181	14 456	7 879	8 123	

Table 17.14: Summary of information and communications technology expenditure

	Expenditure outcome				Adjusted appropriation 2003/04	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	2000/01		2001/02	2002/03	2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03							
R thousand										
1 Administration	-	40 466	39 481		-					
Technology	-	18 376	26 681		-					
IT services	-	22 090	12 800		-					
2 Service Delivery	-	5 125	8 633		-					
Technology	-	5 125	8 633		-					
IT services	-	-	-		-					
3 Employment and Skills Development Services/ Human Resources Development	-	5 890	5 795		-					
Technology	-	5 890	5 795		-					
IT services	-	-	-		-					
4 Labour Policy and Labour Market Programmes	-	938	793		-					
Technology	-	938	793		-					
IT services	-	-	-		-					
Total	-	52 419	54 702		-					

Table 17.15: Summary of official development assistance expenditure

Donor	Programme / project name	Cash or kind	Expenditure outcome				Medium-term expenditure estimate								
			2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07						
R thousand															
Denmark	Skills development	-	-	427	-	-	-	-	-	-	-	-	-	-	-
European Union	Skills development	-	-	35 127	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	35 554	-	-	-	-	-	-	-	-	-	-	-

Table 17.16: Summary of expenditure on infrastructure

R thousand	Projects	Expenditure outcome				Adjusted appropriation 2003/04	Medium-term expenditure estimate				Long-term planning		
		Audited		Preliminary outcome	2004/05		2005/06	2006/07	2007/08	2008/09	2009/10		
		2000/01	2001/02	2002/03									
	Small project groups	-	-	-	6 942	4 606	-	-	-	-	-	-	
	Sub-total	-	-	-	6 942	4 606	-	-	-	-	-	-	
	Maintenance on infrastructure	-	3 067	25 809	26 102	7 547	3 777	-	-	-	-	-	
	Total	-	3 067	25 809	33 044	12 153	3 777	-	-	-	-	-	

Table 17.17: Summary of departmental public-private partnership projects

R thousand	Project description	Total cost of project	Budgeted expenditure	Medium-term expenditure estimate		
				2003/04	2004/05	2005/06
	Projects under implementation	313 893	42 180	48 911	49 280	50 265
	PPP unitary charge	313 893	42 180	48 911	49 280	50 265
	Total	313 893	42 180	48 911	49 280	50 265