

# PROGRAMME PERFORMANCE

## PROGRAMME 3: EMPLOYMENT AND SKILLS DEVELOPMENT SERVICES AND HUMAN RESOURCES DEVELOPMENT

This programme focuses on implementing the National Skills Development Strategy and the National Human Resources Development Strategy.

There are six subprogrammes:

- *Skills Development Funding* ensures the flow of funds from the South African Revenue Service to the National Skills Fund and the SETAs, the collection and distribution of funds, and the disbursement of grants by SETAs and subsidies by the National Skills Fund
- *SETA Coordination* ensures the effective and efficient implementation of the National Skills Development Strategy at the sector level
- *INDLELA* aims to develop a learnership system, increase access to work-based qualifications, and conduct assessments at different levels and in different fields of learning
- *Training of Staff* funds staff training programmes and ensures the availability of relevant skills for implementing the legislation
- *Administrative Auxiliary Services* supports the development and management of the employment and skills development services and human resources development branch strategy and policy processes, and provides support services to the branch
- *The National Productivity Institute* aims to support government-led strategic initiatives that affect job creation and retention, productivity and competitiveness.



*Unemployed people are skilled in various learnerships to offer them the opportunity to find employment.*

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**Table 1: Results against Key Branch Outputs**

Measurable Branch Objective: Achieve the 2005/06 target of the National Skills Development Strategy through managing service level agreements and providing support services to all SETAs and managing the National Skills fund efficiently and effectively.				
Subprogramme	Output	Measure/Indicator	Target	Actual
Skills Development Funding	Funding allocation to projects and programmes and monitoring of projects	Proportion of available funds spent or committed	At least 75% of available funds spent or committed by March 2006	57.8% of NSF income was spent or committed by March 2006
		Percentage of project achievements against project plan	At least 75% of projects outcomes against project plans achieved by March 2006	The aggregated project outcomes came to 80.4% measured against approved project budget and actual project expenditure
SETA Coordination	Management of SETA performance	Performance indicators and service level agreements (SLA) concluded and regularly managed with all SETAs.	At least 15 SETAs achieve satisfactory assessments against indicators.  Underperformance identified and remedial action agreed and implemented by the end of February each year.	16 SETAs achieved satisfactory assessment against indicators.  Individual performance score cards of 23 SETAs completed by September 2005 and remedial action on outstanding target was concluded in March as part of the 2006 SLAs
		Number of youth in learnerships and placed in jobs after completion	Minimum of 80 000 youth in learnerships by March 2005. 50% placed within 6 months after completion and equity targets achieved (84% Black, 54% women and 4% with disability)	<b>NSDS 2001-05</b> 88 410 learners were in learnerships and 21 237 were in apprenticeships (total: 109 647) of these 56 301 had completed and 77% were employed on full time or part time. 82% Black, 45% women and 2% people with disabilities <b>NSDS 2005-10</b> 37 227 unemployed learners have entered and 11 678 have completed by end of March 2006. 71% Black, 33% women and 2% were people with disabilities
		SETAs supported to fulfil legislation and strategic obligations of the National Skills Development Strategy	Increase competency of SETA boards and functions	500 enterprises achieve a national standard of good practice in skills development, to be approved by the Minister by March 2005

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Subprogramme	Output	Measure/Indicator	Target	Actual
	Support and assess SETA sector skills plans	SETA sector skills plans assessed	25 SETA sector skills plans assessed by end October 2005	23 SETA sector skills plans were submitted during November 2005 and assessed in January 2006
INDLELA	Assessment services maintained while transforming INDLELA	Apprenticeship assessment services and certification maintained	Provide 100% of assessment and certification information related to all apprentices as well as the 28 recognition of prior learning candidates assessed at INDLELA	8 865 trade tests were arranged, 109 withdrawn, 1 243 candidates were absent on the date of the trade test, 7 622 were tested and 3 391 passed their trade test, i.e. 44%
Administrative Auxilliary Services	Employment and skills development services and human resources development programmes strategy and policy processes managed	Workplans of the branch finalised and performance of the branch against the workplan conducted timeously	Workplans finalised by February 2005 with quarterly and annual assessments	Workplans were finalised in April 2005 and assessments were conducted at the end of the 2nd and 4th quarters

### Skills Levies collected and transferred to SETAs and NSF

**Table 2** illustrates the total levies collected by SARS and transferred to SETAs and the NSF within 30 days of each second month. The amounts represent 1 % of the employer's remuneration bill and the current compliance level stands at 92%.

The Skills Development Levies Act was amended in August 2005 to exclude all companies that have a remuneration bill that is less than R500 000 per annum (previous level was R250 000). **Table 2** illustrates the total amount collected and transferred to SETAs and the NSF by end of March 2006.

**Table 2: Levy transfers to SETAs and the NSF**

Levy year April – March	Total amount collected R'000	Amount transferred to SETAs during the levy year R'000	Amount transferred to NSF during the levy year R'000
2005/06	R 4 883 330	R 3 906 664	R 976 666

For 2005/06 an amount of R 55.052 million was paid to SARS as at 31 March 2006 for levy collection services.

### Transfers to NPI and UYF

The money received and utilised by the NPI and UYF is also aligned to the implementation of the NSDS and is thus part of the funding for the implementation of the NSDS. For the 2005/06 financial year the NPI had an adjusted appropriation amount of R 23,9 million while

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the UYF had an estimated revenue outcome of R 58,9 million.

### National Skills Development Strategy Implementation

**Table 3** provides progress towards targets set for the period 1 April 2005 to 31 March 2006 against the first year of the NSDS 2005 – 2010.

The report was generated from Quarterly Monitoring Reports submitted by SETAs, the Department's provincial offices responsible for the various NSF projects and other organisations and institutions funded under the NSF. Where relevant, achievements by the National Productivity Institute (NPI) and Umsobomvu Youth Fund (UYF) are also indicated.



*The National Skills Development Strategy aims to enhance skills of people beyond their school-going years.*

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**Table 3: Achievements against adjusted National Skills Development Strategy 2005 – 2010 year one targets 1 April 2005 to 31 March 2006**

Success Indicator No	NSDS 2005 -2010 Success Indicator description	Annual targets 2005 - 2006	Progress as at 31 March 2006
Objective 1: Prioritising and communicating critical skills for sustainable growth, development and equity			
1.1	Skills development supports national and sectoral growth, development and equity priorities	23 SETA sector skills plans (SSPs) for 2005 – 2010 received by 31 August 2005 and evaluated by 31 March 2006.	23 SETA SSPs were received in December 2005 and evaluated by March 2006.
1.2	Information on critical skills widely available to learners and impact measured	Scarce and critical skills list published. 7 183 Skills Development Facilitators (SDF) to be trained by SETAs. National and sector guides distributed	State of Skills published and distributed in October 2005. 8 082 SDFs (13% over target) trained by SETAs and 39 by NPI.
Objective 2. Promoting and accelerating quality training for all in the workplace			
2.1	80% of large firms and 60% of medium firms supported through skills development. Impact on overall equity profile assessed.	3 144 large firms and 4 708 Medium firms supported through skills development	4 866 large firms (55% over target) and 5 424 medium firms (15% over target) supported
2.2	Skills development in 40% of small levy paying firms supported and the impact of support measured.	27 106 Small levy paying firms supported through skills development	28 532 (5% over target) small levy paying firms supported.
2.3	80% of government departments spend at least 1% of personnel budget on training and impact on service delivery measured	80% of national and provincial departments spend at least 1% of personnel budget on training	National Departments spent 1.74% of personnel cost on training. Statistics for Provincial Departments were not available.
2.4	A national standard of good practice framework in skills development approved by Minister of Labour	A national standard of good practice in skills development submitted to the Minister for approval	Draft proposal developed but could not be finalised during the period under review.
2.5	Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Impact of support measured	Annually increasing number of small BEE firms and BEE cooperatives	Not measured during 2005/06. Research will be undertaken during 2006/07 to determine BEE firms baseline.

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Success Indicator No	NSDS 2005 -2010 Success Indicator description	Annual targets 2005 - 2006	Progress as at 31 March 2006
2.6	Annually increasing number of people benefiting from incentivised training for employment or re-employment in new investment and expansion initiatives.	Annually increasing number of people who benefit from incentives training for employment /re-employment in new investments and expansion initiatives.	1 178 workers in 93 SMEs received training.  NPI established 91 future forums and 47 turnaround strategies in companies to prevent job losses
2.7	By March 2010, at least 700 000 workers have achieved at least ABET Level 4	SETAs committed to a target of 41 838 workers that included workers registered on ABET programmes before April 2005	41 097 (99% of target) workers were registered on ABET Levels 1-4.
2.8	By March 2010, 125 000 workers assisted to enter and 50% complete programmes leading to scarce skills.	SETAs committed to a target of 29 297 workers to enter and 14 649 complete programmes leading to scarce skills.  NPI committed to training 560 workers	79 198 workers (170% over target) learners have entered and 44 623 (205% over target) completed.  NPI trained 781 workers
<b>Objective 3. Promoting employability and sustainable livelihoods</b>			
3.1	By March 2010, at least 450 000 unemployed people trained of which 25% undergo accredited training and 70% are placed.	90 000 unemployed people trained, 25% of training quality assured, and 70% of trained people, placed in employment, self-employment or social development programmes, including EPWP.	103 168 unemployed people were trained. 55 376 (54%) were placed.
3.2	By March 2010, 2 000 non-paying enterprises, NGOs, CBOs, and Community co-operatives supported by skills development.	SETAs committed to supporting a target of 466 non-levy paying enterprises with skills development.	829 (78% over target) non-levy paying enterprises were supported with skills development.
3.3	By March 2010, 100 000 unemployed people participate in ABET programme, at least 70% achieve ABET Level 4	20 000 unemployed people have participated in ABET Level programmes, leading to the achievement of ABET Level 4	Framework and calls for application were completed by end of March 2006

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Success Indicator No	NSDS 2005 -2010 Success Indicator description	Annual targets 2005 - 2006	Progress as at 31 March 2006
Objective 4. Assisting designated groups, including new entrants to participate in accredited work – integrated learning and work – based programmes to acquire critical skills to enter the labour market and self – employment.			
4.1	By March 2010, 125 000 unemployed people assisted to enter and 50% complete programmes leading to scarce skills.	SETAs committed to a target of 29 568 unemployed learners to enter and 14 784 complete programmes leading to scarce skills.  The NSF committed a total of R 3,44 million to supporting learners in programmes leading to scarce skills including learnerships and bursaries  The UYF committed to assisting young unemployed learners with skills development	37 227 unemployed (26% over target) learners have entered and 11 678 (79% of target) completed. 71% Black, 33% women and 2% were people with disabilities  2 300 learners in ESDLEs learnerships supported, 6 941 bursaries awarded.  1 452 learners in National Youth Service programme and 941 learners in School to Work Programme
4.2	100% of learners in critical skills programmes covered by sector agreements from FET and HET institutions assisted to gain work experience locally or abroad.	SETAs committed to a target of 8 301 learners	3 693 learners (44% less than the target) entered work places to acquire workplace experience.
4.3	By March 2010, 10 000 young people trained and mentored to form sustainable new ventures in operation 12 months after completion of the programme.	SETAs committed to a target of 1 669 young people to enter new venture creation programmes  NPI committed to assisting 300 micro enterprise entrepreneurs	1 731 young people (4% above target) entered new venture creation programme  327 emerging entrepreneurs were trained
Objective 5. Improving the quality and relevance of provision			
5.1	By March 2010, each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence. (ISOE)	SETAs committed to recognising and supporting 55 ISOEs	103 organisations were recognised and supported as interim ISOE's
5.2	By March 2010, at least two provider institutions per province accredited to manage the delivery of new venture creation qualification.	SETAs committed to supporting 33 provider institutes	58 provider institutes (76% above target) supported.
5.3	Measurable improvement in quality of services delivered by skills development institutions and institutions implementing NQF in support of the NSDS.	All SETA based Education and Training Quality Assurance units (ETQAs) maintain SAQA accreditation.  SAQA funded by NSF to support ETQAs	21 SETAs received three-year ETQA accreditation status from SAQA and Agri- SETA and SASSETA received a conditional year-long accreditation.  R 16,8 million grant paid to SAQA to support SETA Quality Assurance services.

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Success Indicator No	NSDS 2005 -2010 Success Indicator description	Annual targets 2005 - 2006	Progress as at 31 March 2006
5.4	NSA constituency based assessment of improvement in stakeholder capacity development	Funding framework developed and referred to NSA for consideration	Draft framework was developed and tabled to NSA

### Umsobomvu Youth Fund (UYF) and the National Productivity Institute (NPI)

The Umsobomvu Youth Fund (UYF) and the National Productivity Institute (NPI) are the two agencies whose work closely contributes to meeting the objectives of the NSDS. The NPI budget allocation forms part of the Programme 3 Vote 17 MTEF allocation. Both of these agencies have their separate offices, staff and Boards and are Section 21 Public Entities. The UYF and the NPI produce separate detailed annual reports regarding their activities.

#### Umsobomvu Youth Fund

The UYF was established in January 2001 by the South African Government and mandated to facilitate and promote the creation of jobs and skills development among young South Africans, aged primarily between the ages of 18 and 35 years. UYF was funded through the proceeds of the Demutualisation Levy Act of 1998, amounting to R855 million and fulfils its mandate by making strategic investments that facilitate opportunities for young people to acquire skills, to access jobs or pursue meaningful self-employment opportunities through various enterprise initiatives.

#### The National Productivity Institute (NPI)

The NPI is an organisation led by an advisory council and board drawn from government, organised labour and organised business. It is dedicated to the development and enhancement of South Africa's productivity and contributes to socio-economic development, competitiveness, and ultimately the general improvement of the quality of life of all South Africans.

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## PROGRAMME 4: LABOUR POLICY AND LABOUR MARKET PROGRAMMES

*Labour Policy and Labour Market Programmes* is responsible for creating an equitable and sound labour relations environment, including international labour matters, through research, analysis and evaluation of labour policy and through providing statistics on the labour market:

- *Labour Relations* promotes the establishment of an equitable and peaceful labour relations environment, including support for the Commission for Conciliation, Mediation and Arbitration
- *Labour Policy* encompasses research, analysis, evaluation and development of labour policy, providing statistical information on the labour market. The main aim is to support policy formulation and the drafting of legislation both in the Department and in Government in general
- *International Labour Matters* represents Government at the International Labour Organisation, the African Union and the African Regional Labour Administration Centre
- *NEDLAC* promotes economic growth, participation in economic decision-making and social equity by seeking consensus and making agreements on social and economic policy and all proposed labour legislation between community organisations, labour, business and Government.
- *Sheltered Employment* is responsible for the administrative, production and financial control of the work centres for people with disabilities, subsidising operating losses and capital expenditure of work centres for people with disabilities, subsidising workshops for the blind in accordance with approved standards.



*A Sectoral Determination for the Forestry Sector was published for the first time.*

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## PROGRAMME 4: LABOUR POLICY AND LABOUR MARKET PROGRAMMES

Subprogramme	Output	Measure/Indicator	Target	Actual
Labour Relations	Registration of trade unions, employers' organisations, bargaining councils and statutory councils	Percentage and number of labour organisations registered	70% of new applications processed.  300 existing applications processed	83% of new applications processed.  All 300 existing applications finalised.
	Employment equity awards	First awards ceremony	June 2005	A decision was taken by the Commission for Employment Equity to launch the EE Awards System in mid 2006 to employers and to implement the system in August 2007.
	Amendments to the Employment Equity Act (1998) and Regulations	Amendments submitted to NEDLAC and promulgated	Submitted to NEDLAC by September 2005. Promulgated by May 2006.	The Amended Employment Equity Regulations have been completed and published in May 2006.
	Provide information on the status of employment equity	Publish 2004/05 employment equity and employment equity analysis reports	May 2005	The analysis of employment equity reports received in 2004 has been completed and published on the website. The 5th CEE Annual Report for the 2004/2005 period has also been completed and published.
	Determine minimum conditions of employment and wages for vulnerable workers in various sectors	Publish sectoral determinations within set timeframes	Forestry: March 2005  Taxi: May 2005	Forestry came into effect in April 2006  Taxi came into effect in April 2005

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## PROGRAMME 4: LABOUR POLICY AND LABOUR MARKET PROGRAMMES

Subprogramme	Output	Measure/Indicator	Target	Actual
			Sheltered employment: June 2005	Sheltered employment report completed in September 2005. The ECC did not recommend a sectoral determination before finalisation of restructuring
			Welfare: February 2006	Welfare to be done by March 2007
		Review the 2 existing sectoral determinations	Farm workers wage review: December 2005	Farm workers review completed in February 2006
		Domestic workers wage review	Domestic workers wage review: August 2006	Domestic workers review completed in November 2005
		Domestic workers provident fund established	August 2006	Employment Conditions Commission recommended investigation in 2008
			Wholesale and Retail February 2006	Wholesale and Retail investigation was done and promulgated in February 2006
	Provide information on wage differentials	Publish reports on wage differentials within set timeframe	Report submitted to Employment Conditions Commission: December 2005	Referred to October 2007 due to delay in data collection
	Implement national programme of action on the elimination of child labour	Reports on worst identified forms of child labour	Submit reports by March 2006	Reports on worst forms of child labour - Removed from work plan due to prioritisation
		Intersectoral child labour structures consisting of NGOs, CBOs, business, labour and government	March 2006	Intersectoral structures: Not done due to the restructuring of the Office of the Rights of the Child
		Departmental child labour desk implemented and operational	March 2006	Not done due to restructuring of the above.



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## PROGRAMME 4: LABOUR POLICY AND LABOUR MARKET PROGRAMMES

Subprogramme	Output	Measure/Indicator	Target	Actual
	Reports on progress with GDS implementation within government	Number of GDS progress reports	4 GDS progress reports completed by the end of 2005/06	Four quarterly reports including a consolidated report on the implementation of the GDS Agreement were completed and submitted to the NEDLAC GDS Implementation Committee. A consolidated report was presented at the Presidential Joint Working Group meeting in July 2005.
	Measure, aggregate the impact of policies on the labour market	Labour Market Review	Bi-annual in 2005/06	Labour Market Review published and complemented by Annual Labour Market Bulletin
		Report on state of skills report	Annual in 2005/06	State of Skills report published
International Labour Matters	Influence and shape policies in the International Labour Organisation (ILO) to achieve a decent work agenda	Report compiled and submitted as required by the Constitution of the ILO	Attend annual conference	Successful International Labour Conference and Governing Body Session were attended in June, November 2005, and March 2006, and South Africa remains a titular member of the ILO Governing Body after being re-elected to serve until 2008

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## PROGRAMME 4: LABOUR POLICY AND LABOUR MARKET PROGRAMMES

Subprogramme	Output	Measure/Indicator	Target	Actual
NEDLAC	Transfer payment to NEDLAC	<p>Percentage of negotiations engaging business, labour the community and government to reach consensus.</p> <p>Monitor, evaluate and report on the progress of the agreements signed by the stakeholders at the Growth and Development Summit</p>	<p>80% of agreements concluded.</p> <p>Reports due in March 2005</p>	<p>Details of the Programme Performance of NEDLAC are set out in the NEDLAC Annual Report tabled separately in Parliament</p> <ul style="list-style-type: none"> <li>● A successful 10th Annual Summit presided over by the Deputy President, was held in August 2005 with the theme "Growth, Decent Work, Development and Social Equity". A policy discussion on "International trade and investment, lever for promotion of Economic development and alleviation of Poverty" was held at the Summit</li> <li>● Collectively the NEDLAC Chambers identified and dealt with more than 40 key priority areas that formed the basis of the work programmes of the Chambers.</li> <li>● The Executive Council of NEDLAC held two focus sessions on Monetary Policy and Skills Development and ASGI-SA</li> <li>● The Management Committee of NEDLAC met four times in the period under review and dealt with 14 key outputs</li> </ul> <p>The GDS Implementation Committee monitored progress on the implementation of the GDS Agreement. A consolidated report was presented at the Presidential Joint Working Group in July 2005</p>
Sheltered Employment	Restructuring of sheltered employment factories	<p>Submission to Minister on restructuring options, with recommendations.</p> <p>Develop and implement turnaround strategy</p>	<p>Restructuring agreed by April 2005</p> <p>Strategy agreed by March 2005. Implementation by March 2006</p>	<p>See page 43</p> <p>See page 43</p>

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## PROGRAMME 5: SOCIAL INSURANCE

*Social Insurance* contributes to the Unemployment Insurance Fund and provides for the compensation of public servants in case of occupational injuries or illness while on duty through the Compensation Fund. The Unemployment Insurance Fund and the Compensation Fund publish their own Annual Reports in terms of the PFMA.



*The Unemployment Insurance Fund provides benefits to contributors when they become unemployed.  
(Foto: Liza van Deventer, Pretoria News)*

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## NATIONAL SKILLS FUND

### 1. Introduction

The National Skills Fund (NSF) was established in terms of the Skills Development Act in 1999. The NSF has received 20% of the skills levy since the introduction of the levy in the year 2000.

The work of the National Skills Fund was given credence when the Minister of Labour announced new Funding Windows of the NSF at the first National Skills Conference in February 2001. The NSF funding windows are aligned to both the thrust and objectives of the National Skills Development Strategy.

### 2. Aim of NSF

The Skills Development Act stipulates that the money in the NSF may be used only for the projects identified in the National Skills Development Strategy (NSDS) as national priorities or for such other projects related to the achievement of the purposes of the Act as the Director-General of the Department determines.

### 3. Achievements

The launch of the NSDS 2005 - 2010 required the NSF to review its funding windows and processes to ensure targets and objectives set in the NSDS 2005-2010 are met. The 2005/06 financial year was a transitional year and any financial transactions relevant to the NSF funding windows applicable to the 2000-2005 NSDS has continued to take place in this close-out period.

Output	Measure/Indicator	Target	Actual
Funding allocation to projects and programmes, and monitoring of projects	Proportion of available funds spent and committed.	At least 75% of available funds for 2005/06 spent or committed by March 2006.	57.8% of NSF income was spent or committed by March 2006.
NSDS Objective 1: Prioritising and communicating critical skills for sustainable growth, development and equity	1.2. Information on critical skills widely available to learners and impact measured.	Scarce and critical skills list compiled and distributed.	The updated list and national guide to be published in September 2006.
NSDS Objective 2. Promoting and accelerating quality training for all in the workplace	2.6. Annually increasing number of people benefiting from incentives training for employment or re-employment in new investment and expansion initiatives.	Annually increasing number of people who benefit from incentives training for employment /re-employment in new investments and expansion initiatives.	1 178 new workers of 93 SMEs received training.  The NPI established 91 future forums and 47 turnaround strategies in companies to prevent job losses

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## NATIONAL SKILLS FUND

Output	Measure/Indicator	Target	Actual
NSDS Objective 3. Promoting employability and sustainable livelihoods	3.1. By March 2010, at least 450 000 unemployed people trained of which 25% undergo accredited training and 70% are placed.	90 000 unemployed people trained and 70% of trained people, placed in employment, self-employment or social development programmes, including EPWP.	103 168 unemployed people were trained and 55 376 were placed
	3.3. By March 2010, 100 000 unemployed people participate in ABET programme, at least 70% achieve ABET Level 4	20 000 unemployed people have participated in ABET Level programmes leading to the achievement of ABET Level 4	Framework and call for applications was completed by end of March 2006
NSDS Objective 4. Assisting designated groups, including new entrants to participate in accredited work-integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment.	4.1. By March 2010, 125 000 unemployed people assisted to enter and 50% complete programmes leading to scarce skills.	NSF contribute to SETA target of 29 568	2 300 learners in ESDLE learnerships supported and 6 941 bursaries awarded
Objective 5. Improving the quality and relevance of provision	5.2. By March 2010, at least two provider institutions per province accredited to manage the delivery of new venture creation qualification.	NSF funding framework for new venture creation delivery grants developed.	Interim guidelines in place
	5.3. Measurable improvement in quality of services delivered by skills development institutions and institutions implementing NQF in support of the NSDS.	SAQA funded by NSF to support ETQAs	R 16,8 million grant paid to SAQA to support SETA Quality Assurance services.
	5.4. NSA constituency based assessment of improvement in stakeholder capacity development	Funding framework developed and tabled to the NSA for consideration.	Draft framework developed and tabled to NSA for consideration

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## NATIONAL SKILLS FUND

### 5. Projects funded under the National Skills Fund

Apart from the NSF contribution to various success indicators of the NSDS, the following comments are worth noting in reference to specific funding windows and projects supported by the NSF.

#### Social Development Funding Window

R 183,2 million was spent on the training programmes conducted under the Social Development Funding window during 2005/06 up to the end of March 2006.

Of the above mentioned amount spent, R3,34 million was allocated for the training of unemployed people in EPWP-projects. A total of 25 810 unemployed people attended skills development courses linked to these EPWP-projects.

#### Strategic Projects for NSDS 2005 - 2010

A revised model for Strategic Projects has been developed and discussed with various stakeholders at national and provincial level. Due to a need to align the model with the new imperatives brought about by ASGI-SA/JIPSA- the launch of these projects was delayed and re-scheduled to take place during September 2006.

#### NSF projects flowing from the NSDS 2001- 2005

The NSF also continued to fund a number of projects flowing from the National Skills Development Strategy 2001 – 2005. Amongst these projects are the following:

#### Innovation and Research

A total of nine projects were approved by the Director-General under this funding window during 2003. The total amount committed for these projects amounted to R 11,8 million. Seven of the projects were finalised during 2005. The remaining two projects are in the close-out process. The actual payments made with regard to these projects during 2005/06 amounted to R225 828-00.

The two projects mentioned above are:

- Siyavuka Lateral Improvement Foundation (SLIF)

Project objective: To equip unemployed and disadvantaged youth with the skills they require, to enable them to find employment or to start their own micro businesses in Ceramic Design and production.

This project was completed in May 2005. All the learners are working in the Newtown Incubation centre.

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## NATIONAL SKILLS FUND

- South African Institute of Chartered Accountants (SAICA)

Project objective: To equip workplace providers with the knowledge and skills to develop prospective professional accountants and to put in place specific strategies to ensure quality training and development opportunities.

SAICA officials visited all 361 identified training venues to assess whether they have the human, information technology and professional resources needed to provide an appropriate learning environment for trainee accountants. SAICA conducted capacity building workshops for more than 200 training officers on the management of learnerships and assessments.

### Strategic projects flowing from the NSDS 2001 - 2005

The process of winding down the strategic projects for NSDS 2001 -2005 continued during 2005/06. The NSF prepared draft closure reports as well as guidelines for disposal of assets and return of unused funds.



*The NSF funds numerous projects to enable unemployed people to be skilled for possible employment.*

By end of March 2006, an amount of R883 million or 74% of the initial R1,1 billion has been disbursed.

- 44 438 learners have benefited from ABET programmes

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## NATIONAL SKILLS FUND

- 35 943 people received additional skills from structured learning programmes
- A total of 21 107 SMMEs received skills and other interventions including mentoring
- 9 332 learners received nationally recognised learnership qualifications
- The 17 projects have collectively achieved a learner profile that is 95% Black, 55% women and 0.05% people with disabilities.

### 6. Other major expenditures

#### 6.1 SARS Collection costs

The Skills Development Levies Act determines that the cost of collection incurred by the South African Revenue Service (SARS) for the collection of the skills development levies, interest and penalties must be refunded from the National Skills Fund to SARS. The amount claimable by SARS may however not exceed 2% of the total amount of skills development levies so collected.

In 2005/06 the amount paid to SARS amounted to R55,052 million.

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## SUBPROGRAMME: SHELTERED EMPLOYMENT

**Measurable Objective:** Ensure the effectiveness of sound administrative, production and financial control of the sheltered employment factories for people with disabilities.

Subprogramme	Output	Measure/Indicator	Target	Actual
Sheltered Employment Factories	Restructuring of Sheltered Employment Factories	Submission to Minister on restructuring options, with recommendations.  Develop and implement turnaround strategy.	Restructuring agreed by April 2005.  Strategy agreed by March 2005. Implementation by March 2006.	Turnaround strategy approved and implementation commenced during the period under review