

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's Financial Statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's Financial Statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

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Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to roll-over the funds to the subsequent financial year. These roll-over funds form part of retained funds in the Annual Financial Statements. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.2.3 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory unrequited amounts which were imposed by a Court or quasi-judicial body and collected by the Department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial

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Performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the Disclosure Notes to the Annual Financial Statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is re-issued the payment is made from Revenue.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the Disclosure Notes to the Financial Statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the Annexures to the Financial Statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the Department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the Statement of Financial Performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the Annexures to the Annual Financial Statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. A receivable is recognised in the Statement of Financial Position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the Statement of Financial Position where amounts have been inappropriately expensed using local and foreign aid assistance. Unutilised amounts are recognised in the Statement of Financial Position.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance.

All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the Notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The Department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the Financial Statements of the Department. Any potential liabilities are disclosed in the Financial Statements of the National/Provincial Revenue Fund and not in the Financial Statements of the employer department.

The Department provides medical benefits for certain of its employees. Employer

contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written-off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is recovered from the responsible person or written-off as irrecoverable in the Statement of Financial Performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written-off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

4.3 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the Disclosure Notes. Amounts that are potentially irrecoverable are included in the Disclosure Notes.

4.4 Investments

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the

Disclosure Notes.

4.5 Loans

Loans are recognised in the Statement of Financial Position at the nominal amount. Amounts that are potentially irrecoverable are included in the Disclosure Notes.

4.6 Inventory

Inventories on hand at the reporting date are disclosed at cost in the Disclosure Notes.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the Disclosure Notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the Annexures to the Financial Statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the Disclosure Notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

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- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the Disclosure Notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the Disclosure Notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

7. Related party transactions

Related parties are departments that control or significantly influence the Department in making financial and operating decisions. Specific information with regards to related party transactions is included in the Disclosure Notes.

8. Key management personnel

Key management personnel are those people having the authority and responsibility for planning, directing and controlling the activities of the Department.

Compensation paid to key management personnel including their family members where relevant, is included in the Disclosure Notes.

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the Department and a private party in terms of which the private party:

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- Performs an institutional function on behalf of the institution; and/or
- acquires the use of State property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of State property; and
- receives a benefit for performing the institutional function or from utilising the State property, either by way of:
 - consideration to be paid by the Department which derives from a Revenue Fund
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the Disclosure Notes.

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Appropriation Statement for the year ended 31 March 2006

Appropriation per programme									
	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	235 319	-	(46)	235 273	215 636	19 637	91.7	224 136	213 502
Transfers and subsidies	167	-	46	213	195	18	91.5	206	148
Payment for capital assets	3 194	-	-	3 194	2 836	358	88.8	43 695	34 280
2. Service Delivery									
Current payment	561 186	-	(880)	560 306	522 276	38 030	93.2	430 203	422 094
Transfers and subsidies	1 546	-	819	2 365	2 221	144	93.9	2 694	2 566
Payment for capital assets	7 933	-	61	7 994	7 810	184	97.7	54 900	4 309
3. Employment and Skills Development Services/Human Resources Development									
Current payment	75 350	-	(1 501)	73 849	52 334	21 515	70.9	71 486	50 848
Transfers and subsidies	64 365	-	55	64 420	64 367	53	99.9	61 435	61 361
Payment for capital assets	2 864	-	-	2 864	727	2 137	25.4	3 051	282
4. Labour Policy and Labour market Programmes									
Current payment	80 486	(20 452)	937	60 971	60 837	134	99.8	57 077	45 520
Transfers and subsidies	266 592	20 452	1	287 045	286 928	117	100.0	257 696	252 351
Payment for capital assets	735	-	508	1 243	1 243	-	100.0	578	74
5. Social Insurance									
Current payment	-	-	-	-	-	-	0.0	-	-
Transfers and subsidies	9 001	-	-	9 001	4 931	4 070	54.8	21 540	8 013
Payment for capital assets	-	-	-	-	-	-	0.0	-	-
Subtotal	1 308 738	-	-	1 308 738	1 222 341	86 397	93.4	1 228 697	1 095 348
Statutory appropriation									
Current payment	-	-	-	-	-	-	0.0	-	-
Transfers and subsidies	4 883 330	-	-	4 883 330	4 883 330	-	100.0	4 725 396	4 725 396
Payment for capital assets	-	-	-	-	-	-	0.0	-	-
Total	6 192 068	-	-	6 192 068	6 105 671	86 397	98.6	5 954 093	5 820 744
Reconciliation with Statement of Financial Performance									
Add: Prior year unauthorised expenditure approved with funding									
Departmental receipts				4 811				4 465	
Local and foreign aid assistance received				11 000				10 000	
Actual amounts per Statements of Financial Performance (Total revenue)				6 207 879				5 968 558	
Add: Local and foreign aid assistance					7 240				24 270
Prior year unauthorised expenditure approved					-				
Prior year fruitless and wasteful expenditure authorised					-				
Actual amounts per Statements of Financial Performance (Total expenditure)					6 112 911				5 845 014

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Appropriation Statement for the year ended 31 March 2006

Appropriation per economic classification									
	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	475 342	-	(3 501)	471 841	425 317	46 524	90.1	399 711	371 495
Goods and services	476 999	(20 452)	2 000	458 547	425 755	32 792	92.8	382 669	359 947
Financial transactions in assets and liabilities	-	-	11	11	11	-	100.0	522	522
Transfers and subsidies									
Provinces and municipalities	1 457	-	(26)	1 431	1 278	153	89.3	1 291	1 095
Departmental agencies and accounts	326 460	20 452	-	346 912	342 842	4 070	98.8	323 318	309 790
Foreign governments and international organisations	5 900	-	-	5 900	5 783	117	98.0	11 023	5 737
Non-profit institutions	7 854	-	-	7 854	7 792	62	99.2	6 466	6 392
Households	-	-	947	947	947	-	100.0	1 473	1 425
Payments for capital assets									
Buildings and other fixed structures	7 857	-	(384)	7 473	5 493	1 980	73.5	94 005	36 847
Machinery and equipment	6 651	-	1 167	7 818	7 123	695	91.1	7 719	2 020
Biological or cultivated assets	-	-	-	-	-	-	0.0	-	-
Software and other intangible assets	218	-	(214)	4	-	4	0.0	500	78
Total	1 308 738	-	-	1 308 738	1 222 341	86 397	93.4	1 228 697	1 095 348

Statutory appropriation									
	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sector Education and Training Authorities (SETAs)	3 906 664	-	-	3 906 664	3 906 664	-	100.0	3 780 317	3 780 317
National Skills Fund	976 666	-	-	976 666	976 666	-	100.0	945 079	945 079
Total	4 883 330	-	-	4 883 330	4 883 330	-	100.0	4 725 396	4 725 396

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Detail per Programme 1 - Administration for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	842	-	120	962	958	4	99.6	791	745
1.2 Management									
Current payment	9 056	-	3 967	13 023	13 023	-	100.0	11 663	11 663
Transfers and subsidies	7	-	8	15	15	-	100.0	13	13
Payment for capital assets	90	-	-	90	72	18	80.0	123	123
1.3 Corporate Services									
Current payment	225 421	-	(4 144)	221 277	201 644	19 633	91.1	209 472	198 884
Transfers and subsidies	160	-	38	198	180	18	90.9	193	135
Payment for capital assets	3 104	-	-	3 104	2 764	340	89.0	2 425	393
1.4 Capital Works									
Current payment	-	-	-	-	-	-	0.0	1 688	1 688
Payment for capital assets	-	-	-	-	-	-	0.0	41 147	33 764
1.5 Theft and losses									
Current payment	-	-	11	11	11	-	100.0	522	522
Total	238 680	-	-	238 680	218 667	20 013	91.6	268 037	247 930

Economic classification	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	54 357	-	(46)	54 311	48 495	5 816	89.3	49 864	40 807
Goods and services	180 962	-	(11)	180 951	167 130	13 821	92.4	173 750	172 173
Financial transactions in assets and liabilities	-	-	11	11	11	-	100.0	522	522
Transfers and subsidies									
Provinces and municipalities	167	-	-	167	149	18	89.2	156	128
Households	-	-	46	46	46	-	100.0	50	20
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0	41 147	33 766
Machinery and equipment	3 194	-	-	3 194	2 836	358	88.8	2 048	436
Software and other intangible assets	-	-	-	-	-	-	0.0	500	78
Total	238 680	-	-	238 680	218 667	20 013	91.6	268 037	247 930

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Detail per Programme 2 - Service Delivery for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Management Support Services									
Current payment	187 908	-	(305)	187 603	173 483	14 120	92.5	115 339	109 814
Transfers and subsidies	262	-	278	540	486	54	90.0	548	547
Payment for capital assets	7 325	-	(683)	6 642	6 462	180	97.3	53 959	3 962
2.2 Beneficiary Services									
Current payment	1	-	-	1	-	1	0	1	-
2.3 Employment Services									
Current payment	119 507	-	24	119 531	116 356	3 175	97.3	110 132	110 131
Transfers and subsidies	791	-	129	920	852	68	92.6	937	937
Payment for capital assets	163	-	(40)	123	119	4	96.7	217	141
2.4 Inspection and Enforcement Services									
Current payment	220 499	-	(1 730)	218 769	205 159	13 610	93.8	176 260	175 346
Transfers and subsidies	437	-	409	846	835	11	98.7	826	826
Payment for capital assets	349	-	(235)	114	114	-	100.0	353	164
2.5 Labour Market Information and Statistics									
Current payment	16 695	-	1 192	17 887	14 567	3 320	81.4	14 509	13 518
Transfers and subsidies	41	-	-	41	30	11	73.2	356	239
Payment for capital assets	71	-	(20)	51	51	-	100.0	325	42
2.6 Occupational Health and Safety									
Current payment	16 576	-	(61)	16 515	12 711	3 804	77.0	13 962	13 285
Transfers and subsidies	15	-	3	18	18	-	100.0	27	17
Payment for capital assets	25	-	1 039	1 064	1 064	-	100.0	46	-
Total	570 665	-	-	570 665	532 307	38 358	93.3	487 797	428 969

Economic classification	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	346 738	-	(819)	345 919	314 940	30 979	91.0	282 572	274 492
Goods and services	214 448	-	(61)	214 387	207 336	7 051	96.7	147 631	147 602
Transfers and subsidies									
Provinces and municipalities	1 020	-	-	1 020	938	82	92.0	852	798
Non-profit institutions	526	-	-	526	464	62	88.2	496	422
Households	-	-	819	819	819	-	100.0	1 346	1 346
Payments for capital assets									
Buildings and other fixed structures	6 057	-	(384)	5 673	5 493	180	96.8	52 858	3 081
Machinery and equipment	1 872	-	445	2 317	2 317	-	100.0	2 042	1 228
Software and other intangible assets	4	-	-	4	-	4	0.0	-	-
Total	570 665	-	-	570 665	532 307	38 358	93.3	487 797	428 969

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Detail per Programme 3 - Employment and Skills Development Services/HRM
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Skills Development and Planning									
Current payment	-	-	-	-	-	-	0.0	198	198
3.2 Skills Development Funding									
Current payment	9 486	-	(1 446)	8 040	3 234	4 806	40.2	13 319	3 991
Transfers and subsidies	40 281	-	-	40 281	40 251	30	99.9	37 998	37 973
Payment for capital assets	97	-	-	97	36	61	37.1	37	-
3.3 SETA Coordination									
Current payment	16 980	-	-	16 980	11 794	5 186	69.5	13 592	11 397
Transfers and subsidies	44	-	-	44	23	21	52.3	45	19
Payment for capital assets	149	-	339	488	488	-	100.0	179	64
3.4 INDELELA									
Current payment	31 485	-	(55)	31 430	25 392	6 038	80.8	27 738	23 627
Transfers and subsidies	76	-	55	131	131	-	100.0	101	101
Payment for capital assets	2 511	-	(339)	2 172	174	1 998	8.0	2 711	173
3.5 Training of Staff									
Current payment	1 676	-	-	1 676	288	1 388	17.2	1 565	262
3.6 Administrative Auxiliary Services									
Current payment	15 723	-	-	15 723	11 626	4 097	73.9	15 074	11 373
Transfers and subsidies	30	-	-	30	28	2	93.3	44	21
Payment for capital assets	107	-	-	107	29	78	27.1	124	45
3.7 National Productivity Institute									
Transfers and subsidies	23 934	-	-	23 934	23 934	-	100.0	23 247	23 247
Total	142 579	-	(1 446)	141 133	117 428	23 705	83.2	135 972	112 491

Economic classification	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	45 454	-	(55)	45 399	35 670	9 729	78.6	41 627	31 315
Goods and services	29 896	-	(1 446)	28 450	16 664	11 786	58.6	29 859	19 533
Transfers and subsidies									
Provinces and municipalities	180	-	(14)	166	113	53	68.1	169	95
Non-profit institutions	64 185	-	-	64 185	64 185	-	100.0	61 220	61 220
Households	-	-	69	69	69	-	100.0	46	46
Payments for capital assets									
Buildings and other fixed structures	1 800	-	-	1 800	-	1 800	0.0	-	-
Machinery and equipment	1 064	-	-	1 064	727	337	68.3	3 051	282
Total	142 579	-	(1 446)	141 133	117 428	23 705	83.2	135 972	112 491

Department of Labour - Vote 17
Detail per Programme 4 - Labour Policy and Labour Market Programme
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Labour Relations									
Current payment	41 164	-	181	41 345	41 281	64	99.8	30 680	30 680
Transfers and subsidies	206 907	10 632	13	217 552	217 552	-	100.0	186 106	186 065
Payment for capital assets	196	-	742	938	938	-	100.0	330	74
4.2 Labour Policy									
Current payment	27 106	(20 452)	1 421	8 075	8 005	70	99.1	9 263	7 378
Transfers and subsidies	23	-	(8)	15	15	-	100.0	28	29
Payment for capital assets	394	-	(117)	277	277	-	100.0	85	-
4.3 International Labour Matters									
Current payment	9 988	-	229	10 217	10 217	-	100.0	15 243	6 429
Transfers and subsidies	6 913	-	(4)	6 909	6 792	117	98.3	11 051	5 746
Payment for capital assets	145	-	(117)	28	28	-	100.0	145	-
4.4 NEDLAC									
Transfers and subsidies	11 551	-	-	11 551	11 551	-	100.0	9 146	9 146
4.5 Sheltered Employment									
Current payment	2 228	-	(894)	1 334	1 334	-	100.0	1 891	1 033
Transfers and subsidies	41 198	9 820	-	51 018	51 018	-	100.0	51 365	51 365
Payment for capital assets	-	-	-	-	-	-	0.0	18	-
Total	347 813	-	1 446	349 259	349 008	251	99.9	315 351	297 945

Economic classification	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	28 793	-	(2 581)	26 212	26 212	-	100.0	25 648	24 881
Goods and services	51 693	(20 452)	3 518	34 759	34 625	134	99.6	31 429	20 639
Transfers and subsidies									
Provinces and municipalities	90	-	(12)	78	78	-	100.0	114	74
Dept agencies and accounts	253 274	20 452	-	273 726	273 726	-	100.0	240 558	240 557
Foreign governments and international organisations	5 900	-	-	5 900	5 783	117	98.0	11 023	5 737
Non-profit institutions	7 328	-	-	7 328	7 328	-	100.0	5 970	5 970
Households	-	-	13	13	13	-	100.0	31	13
Payments for capital assets									
Machinery and equipment	521	-	722	1 243	1 243	-	100.0	578	74
Software and other intangible assets	214	-	(214)	-	-	-	0.0	-	-
Total	347 813	-	1 446	349 259	349 008	251	99.9	315 351	297 945

Department of Labour - Vote 17
Detail per Programme 5 - Social Insurance for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Unemployment Insurance Fund									
Transfers and subsidies	1	-	-	1	-	1	0.0	7 000	-
5.2 Compensation Fund									
Transfers and subsidies	9 000	-	-	9 000	4 931	4 069	54.8	14 540	8 013
Total	9 001	-	-	9 001	4 931	4 070	54.8	21 540	8 013

Economic classification	2005/06							2004/05	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual payment	Variance	Payment as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	-	-	-	-	-	-	0.0	-	-
Transfers and subsidies									
Dept agencies and accounts	9 001	-	-	9 001	4 931	4 070	54.8	21 540	8 013
Total	9 001	-	-	9 001	4 931	4 070	54.8	21 540	8 013

1. Detail of transfers and subsidies as per Appropriation Act (after virement):

Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (A-F) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 7 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after virement):

4.1 Per programme:

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation %
Administration				
Current Payments	235 273	215 636	19 637	8
Transfers and subsidies	213	195	18	8
Payment for Capital Assets	3 194	2 836	358	11

Explanation of variance: **Current Payments:** Under-utilisation is mainly attributable to unfilled vacancies which have impacted on expenditure levels. **Transfer and Subsidies:** Under-utilisation is mainly attributable to low expenditure levels in respect of Regional Service Council Levies. These levies are linked to personnel levels and as a result of unfilled vacancies did not reach anticipated levels. **Payments for Capital Assets:** Under-utilisation is mainly attributable to the delayed purchasing of office furniture and equipment for new staff.

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation %
Service Delivery				
Current Payments	560 306	522 276	38 030	7
Transfers and subsidies	2 365	2 221	144	6
Payment for Capital Assets	7 994	7 810	184	2

Department of Labour - Vote 17
Notes to the Appropriation Statement for the year ended 31 March 2006

Current Payments: Under-utilisation is mainly attributable to delays in respect of Repair and Maintenance Projects as well as the slow filling of vacancies. **Transfers and Subsidies:** Under-utilisation is mainly attributable to low expenditure levels in respect of Regional Service Council Levies. These levies are linked to personnel levels and as a result of unfilled vacancies did not reach anticipated levels.

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation %
Employment and Skills Development				
Current payments	73 849	52 334	21 515	29
Transfers and subsidies	64 420	64 367	53	-
Payment for capital assets	2 864	727	2 137	74

Explanation of variance: **Current Payments:** Under-utilisation is mainly attributable to unfilled vacancies which have impacted on expenditure levels as well as projects that did not materialise. **Payments of Capital Assets:** Under-utilisation is mainly attributable to the delayed purchasing of office furniture and equipment for new staff.

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation %
Labour Policy and Labour Market Programmes				
Current payments	60 971	60 837	134	-
Transfers and subsidies	287 045	286 928	117	-
Payment for capital assets	1 243	1 243	-	-

Explanation of variance

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation %
Social Insurance				
Current payments	-	-	-	-
Transfers and subsidies	9 001	4 931	4 070	45
Payment for capital assets	-	-	-	-

Explanation of variance: **Transfers and Subsidies:** Under-utilisation is mainly attributable to the less than anticipated value of claims for injuries on duty in respect of Civil Servants that were received from the Compensation Commissioner.