



CABINET STATEMENT

DATE : 07 JUNE 2012
TO : ALL MEDIA
EMBARGO : IMMEDIATE

KZN GOVERNMENT URGES BUSINESS TO SUPPORT YOUTH WAGE

The KwaZulu-Natal Government has called on the business sector to support the youth wage subsidy and demonstrate the same commitment to the country as they did when they subsidized young conscripts defending apartheid.

Unveiling comprehensive plans by various government departments to address issues affecting young people in KwaZulu-Natal, Premier Dr Zweli Mkhize re-affirmed the Government's support for this initiative initially announced by Finance Minister Pravin Gordhan two years ago and allocated R5-billion in the February Budget estimates.

President Jacob Zuma told the National Assembly last month that the matter was before the National Economic Development and Labour Council which would make final recommendations to national Cabinet.

President Zuma said the subsidy would be made available for workers under the age of 30 years. Salaries would need to be below the personal income tax threshold, and be paid for a maximum of two years, capped at a maximum value of R12 000.

The incentive would only be accessible to firms which created additional jobs for young and inexperienced South Africans, thus targeting an increase in youth and overall employment.

The Provincial Executive Council noted the endorsement of the subsidy approach by the KZN Broad-based Black Economic Advisory Council.

The Premier said:

"We understand that we need to protect the current older employees who should not lose their jobs. But we want to create space for youth to gain experience and grow to an acceptable level to progress further in their careers. Our view is that there is enough protection under existing labour laws to secure the interests of current employees."



premier

Office Of The Premier
PROVINCE OF KWAZULU-NATAL

“As this Government we believe the business sector has a critical role to play to assist our youth. During apartheid business was prepared to continue to pay salaries of young people who were drafted into the army to fight an unjust war. We call on business to also support this initiative. They did it for the country under apartheid in the past and they should find it within themselves to support young people in the service of a democratic State.”

Issued by the Office of the Premier on behalf of Cabinet

Enquiries:

Head of Provincial Government Communications

Mr Cyril Madlala

☎: 071 850 9596