

Vote 16

Higher Education and Training



Estimates of National Expenditure 2010



national treasury

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REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2010

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The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on www.treasury.gov.za

Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



Lesetja Kganyago

Director-General: National Treasury

Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

Newly created vote	Department/s from which all or some functions have been shifted
Agriculture, Forestry and Fisheries	Agriculture Water Affairs and Forestry Environmental Affairs and Tourism
Water Affairs	Water Affairs and Forestry
Human Settlements	Housing Water Affairs and Forestry
Environmental Affairs	Environmental Affairs and Tourism
Tourism	Environmental Affairs and Tourism
Basic Education	Education
Higher Education and Training	Education Labour (still exists)
Cooperative Governance and Traditional Affairs	Provincial and Local Government
Defence and Military Veterans	Defence
Economic Development	Trade and Industry (still exists)
Energy	Minerals and Energy
Mineral Resources	Minerals and Energy
International Relations and Cooperation	Foreign Affairs
Police	Safety and Security
Rural Development and Land Reform	Land Affairs Provincial and Local Government
Women, Children and People with Disabilities	The Presidency (still exists) Justice and Constitutional Development (still exists)

Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget¹, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.

About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

National Treasury receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

Social Development's gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

Justice, crime prevention and security

Police is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

Correctional Services is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

Economic services and infrastructure

Human Settlements is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

Energy receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

Cooperative Governance and Traditional Affairs has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

Transport's R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

Overview of expenditure

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.

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Table 1. Main budget framework 2006/07 to 2012/13

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue (National Revenue Fund)							
Tax revenue (gross)	495 548.6	572 814.6	625 100.2	590 425.0	647 850.0	721 477.0	818 298.0
Departmental and other receipts, and repayments	10 843.3	11 671.7	12 616.2	8 982.6	10 380.3	11 483.2	12 379.4
Less: Southern Africa Customs Union payments	-25 194.9	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-11 211.0	-22 781.0
Total revenue	481 197.0	559 773.8	608 795.7	571 492.1	643 239.0	721 749.2	807 896.4
<i>Percentage of GDP</i>	<i>26.2%</i>	<i>26.9%</i>	<i>26.2%</i>	<i>23.3%</i>	<i>23.8%</i>	<i>24.3%</i>	<i>24.5%</i>
Expenditure							
State debt cost	52 192.2	52 877.1	54 393.7	57 599.8	71 357.6	88 462.7	104 022.0
<i>Percentage of GDP</i>	<i>2.8%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.2%</i>
Current payments ¹	77 911.5	88 599.8	103 563.2	119 215.8	130 938.5	141 636.6	148 890.9
Transfers and subsidies	332 685.1	391 023.5	458 352.8	530 553.1	579 667.8	634 811.7	674 058.0
Payments for capital assets ¹	6 067.8	7 182.9	8 780.8	8 687.9	9 290.5	10 676.6	13 342.9
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 760.0	20 888.6	750.0	–
Contingency reserve	–	–	–	–	6 000.0	12 000.0	24 000.0
Total expenditure	470 192.5	541 495.7	636 063.5	748 816.5	818 142.9	888 337.6	964 313.8
<i>Percentage of GDP</i>	<i>25.6%</i>	<i>26.0%</i>	<i>27.4%</i>	<i>30.6%</i>	<i>30.3%</i>	<i>29.9%</i>	<i>29.3%</i>
Budget deficit²	11 004.5	18 278.1	-27 267.7	-177 324.3	-174 904.0	-166 588.4	-156 417.4
<i>Percentage of GDP</i>	<i>0.6%</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-7.2%</i>	<i>-6.5%</i>	<i>-5.6%</i>	<i>-4.7%</i>
<i>GDP</i>	<i>1 833 191.0</i>	<i>2 081 626.0</i>	<i>2 320 117.0</i>	<i>2 449 857.9</i>	<i>2 699 888.0</i>	<i>2 967 560.3</i>	<i>3 295 748.7</i>

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

Table 2. Additional allocation to national votes 2010/11 to 2012/13¹

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
Central Government Administration	1 882.8	3 072.3	7 510.5	12 465.6
1 The Presidency	85.6	106.5	117.1	309.1
2 Parliament	145.9	150.0	152.5	448.4
3 Cooperative Governance and Traditional Affairs	1 206.7	2 557.8	6 958.5	10 723.1
4 Home Affairs	224.0	80.7	87.3	392.1
5 International Relations and Cooperation	92.6	105.6	115.4	313.5
6 Public Works	97.1	35.5	38.5	171.1
7 Women, Children and People with Disabilities	31.0	36.1	41.2	108.3
Financial and Administrative Services	1 826.9	1 837.5	1 381.0	5 045.4
8 Government Communication and Information System	24.5	25.3	25.7	75.4
9 National Treasury	1 721.7	1 660.0	1 298.6	4 680.3
10 Public Enterprises	38.7	3.2	3.5	45.4
11 Public Service and Administration	10.2	11.9	12.9	35.0
12 Statistics South Africa	31.9	137.2	40.3	209.4
Social Services	5 143.8	8 479.1	13 507.1	27 130.0
13 Arts and Culture	15.3	18.1	19.4	52.8
14 Basic Education	800.8	1 052.5	1 278.0	3 131.3
15 Health	1 930.7	2 896.1	3 998.8	8 825.6
16 Higher Education and Training	421.1	761.3	1 249.0	2 431.4
17 Labour	59.2	49.1	51.9	160.3
18 Social Development	1 910.3	3 694.0	6 900.6	12 505.0
19 Sport and Recreation South Africa	6.3	7.9	9.3	23.6
Justice, Crime Prevention and Security	3 899.4	4 730.2	6 437.0	15 066.6
20 Correctional Services	883.1	919.4	952.8	2 755.3
21 Defence and Military Veterans	1 092.7	1 400.3	2 190.1	4 683.2
22 Independent Complaints Directorate	2.2	4.6	5.8	12.7
23 Justice and Constitutional Development	358.9	529.2	686.1	1 574.1
24 Police	1 562.5	1 876.7	2 602.1	6 041.3
Economic Services and Infrastructure	4 296.7	5 684.4	8 184.8	18 166.0
25 Agriculture, Forestry and Fisheries	57.2	195.8	310.8	563.8
26 Communications	5.1	5.9	6.4	17.4
27 Economic Development	115.0	160.0	175.0	450.0
28 Energy	1 528.8	1 544.4	1 546.8	4 620.0
29 Environmental Affairs	88.8	111.3	216.6	416.7
30 Human Settlements	242.9	360.5	1 761.3	2 364.7
31 Mineral Resources	20.3	33.2	43.0	96.5
32 Rural Development and Land Reform	301.2	348.1	352.1	1 001.4
33 Science and Technology	34.7	40.8	93.7	169.2
34 Tourism	47.7	63.3	74.9	185.9
35 Trade and Industry	905.6	1 294.0	1 638.8	3 838.3
36 Transport	495.8	1 081.6	1 359.3	2 936.7
37 Water Affairs	453.7	445.6	606.1	1 505.4
Total	17 049.6	23 803.6	37 020.3	77 873.6

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3. Expenditure by national vote 2006/07 to 2012/13

R million	Audited Outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Central Government Administration				
1 The Presidency	224.4	651.4	312.4	694.8
2 Parliament	755.1	902.1	1 135.1	1 108.0
3 Cooperative Governance and Traditional Affairs	24 571.6	30 026.2	35 343.2	36 683.5
4 Home Affairs	2 546.9	3 241.7	4 666.6	5 263.8
5 International Relations and Cooperation	2 944.7	4 069.7	5 472.3	5 553.0
6 Public Works	3 025.8	3 402.3	4 197.0	5 890.1
7 Women, Children and People with Disabilities	49.6	52.5	61.9	68.2
Financial and Administrative Services				
8 Government Communication and Information System	293.1	380.9	427.5	496.8
9 National Treasury	16 171.0	18 966.2	31 312.1	62 845.6
10 Public Enterprises	2 589.8	4 604.0	3 265.1	3 991.2
11 Public Service and Administration	583.7	609.6	630.6	682.8
12 Statistics South Africa	1 096.6	1 054.3	1 323.1	1 715.2
Social Services				
13 Arts and Culture	1 329.9	1 585.8	2 114.5	2 632.1
14 Basic Education	1 571.6	2 165.3	3 284.4	4 474.4
15 Health	11 338.0	12 762.7	15 464.5	18 423.5
16 Higher Education and Training	14 292.2	15 997.3	18 765.9	20 696.6
17 Labour	1 343.3	1 431.5	1 507.2	1 709.2
18 Social Development	61 676.1	67 191.4	76 096.7	86 508.2
19 Sport and Recreation South Africa	886.5	5 048.0	4 871.4	2 883.9
Justice, Crime Prevention and Security				
20 Correctional Services	9 251.2	11 122.4	12 822.6	13 834.5
21 Defence and Military Veterans	23 817.6	25 180.1	27 801.3	31 325.3
22 Independent Complaints Directorate	65.3	80.9	99.3	116.5
23 Justice and Constitutional Development	5 853.8	7 194.0	8 244.4	9 721.0
24 Police	32 634.9	36 525.9	41 635.2	47 622.0
Economic Services and Infrastructure				
25 Agriculture, Forestry and Fisheries	2 711.0	3 858.6	3 465.0	3 874.5
26 Communications	1 319.6	1 911.8	2 328.6	2 470.5
27 Economic Development	238.7	245.1	220.4	316.2
28 Energy	1 930.8	2 189.1	2 918.4	3 756.9
29 Environmental Affairs	1 164.2	1 654.1	1 882.7	2 244.2
30 Human Settlements	7 178.2	8 716.1	11 147.4	14 036.2
31 Mineral Resources	676.8	758.2	811.6	925.1
32 Rural Development and Land Reform	3 724.6	5 896.6	6 663.7	6 401.4
33 Science and Technology	2 613.0	3 127.3	3 703.5	4 261.7
34 Tourism	853.5	1 065.1	1 211.8	1 155.7
35 Trade and Industry	3 566.1	5 050.2	4 836.6	6 085.9
36 Transport	13 360.4	16 331.6	24 838.6	24 238.5
37 Water Affairs	3 851.9	4 802.9	5 795.3	7 342.6
Total appropriation by vote	262 101.6	309 853.1	370 678.0	442 049.4
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.2	2.3	4.0	4.3
Members remuneration (Parliament)	223.3	240.7	356.9	376.7
State debt costs (National Treasury)	52 192.2	52 877.1	54 393.7	59 995.0
Provincial equitable share (National Treasury)	149 245.6	171 053.7	201 795.6	236 877.8
General fuel levy sharing with metros (National Treasury)	–	–	–	6 800.1
Skills levy and Setas (Higher Education and Training)	5 328.4	6 284.3	7 234.1	7 750.0
Judges and magistrates salaries (Justice and Constitutional Development)	1 099.3	1 184.5	1 601.1	1 669.7
Total direct charges against the National Revenue Fund	208 090.9	231 642.6	265 385.4	313 473.5
Contingency reserve	–	–	–	–
Projected underspending	–	–	–	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 3. Expenditure by national vote 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
				Central Government Administration
691.8	722.6	772.2	810.5	The Presidency
1 108.0	1 179.2	1 238.6	1 288.4	Parliament
36 629.6	43 921.5	50 449.1	57 238.3	Cooperative Governance and Traditional Affairs
5 159.4	5 719.6	5 003.5	5 144.8	Home Affairs
5 508.0	4 824.4	5 087.0	5 393.0	International Relations and Cooperation
5 740.1	6 446.3	7 984.1	8 246.2	Public Works
68.2	97.8	108.3	114.9	Women, Children and People with Disabilities
				Financial and Administrative Services
496.8	546.2	507.1	515.4	Government Communication and Information System
62 512.7	50 219.9	33 127.9	34 265.6	National Treasury
3 991.2	350.6	186.8	196.2	Public Enterprises
681.0	651.5	657.1	684.1	Public Service and Administration
1 715.2	1 973.4	2 845.9	1 769.6	Statistics South Africa
				Social Services
2 440.1	2 406.7	2 417.4	2 562.7	Arts and Culture
4 197.9	6 166.2	7 549.8	8 099.3	Basic Education
18 025.5	21 497.0	23 707.9	25 844.7	Health
20 681.8	23 720.7	26 104.6	27 856.1	Higher Education and Training
1 674.4	1 783.9	1 866.6	1 942.5	Labour
86 108.2	95 929.1	105 715.4	114 023.7	Social Development
2 872.4	1 245.6	760.5	793.7	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
13 834.5	15 129.0	16 027.4	18 277.2	Correctional Services
30 325.3	30 715.3	33 931.4	36 386.5	Defence and Military Veterans
116.5	129.3	144.1	152.4	Independent Complaints Directorate
9 673.3	10 250.5	11 083.7	11 730.6	Justice and Constitutional Development
47 622.0	52 556.4	56 916.6	60 390.8	Police
				Economic Services and Infrastructure
3 305.5	3 658.0	4 361.4	4 740.5	Agriculture, Forestry and Fisheries
2 354.5	2 114.0	1 814.1	1 630.4	Communications
316.2	418.6	494.4	520.3	Economic Development
3 740.2	5 535.4	5 739.6	5 538.7	Energy
2 244.2	2 607.8	2 817.5	3 058.7	Environmental Affairs
14 036.2	16 201.5	18 483.0	19 603.8	Human Settlements
924.0	1 030.0	1 112.1	1 168.0	Mineral Resources
6 401.4	6 769.6	7 972.9	8 360.1	Rural Development and Land Reform
4 261.7	4 615.5	4 968.8	4 560.2	Science and Technology
1 155.7	1 151.8	1 223.2	1 291.2	Tourism
5 988.8	6 150.1	6 757.4	7 264.0	Trade and Industry
24 164.1	25 086.3	27 960.1	29 169.5	Transport
6 969.8	7 996.6	9 090.2	9 628.2	Water Affairs
437 736.1	461 517.9	486 987.8	520 261.0	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.3	4.6	4.8	5.1	President and Deputy President salary (The Presidency)
376.7	392.7	409.6	430.1	Members remuneration (Parliament)
57 599.8	71 357.6	88 462.7	104 022.0	State debt costs (National Treasury)
236 877.8	260 973.7	280 688.7	294 780.0	Provincial equitable share (National Treasury)
6 800.1	7 542.4	8 531.1	8 957.7	General fuel levy sharing with metros (National Treasury)
7 750.0	8 424.2	9 148.7	9 606.1	Skills levy and Setas (Higher Education and Training)
1 671.7	1 929.9	2 104.2	2 251.9	Judges and magistrates salaries (Justice and Constitutional Development)
311 080.3	350 625.0	389 349.8	420 052.9	Total direct charges against the National Revenue Fund
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 4. Expenditure by economic classification 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Current payments				
Compensation of employees	49 574.2	56 243.2	64 973.4	76 392.8
Salaries and wages	41 022.9	46 738.9	53 788.3	63 755.1
Social contributions	8 551.3	9 504.3	11 185.1	12 637.7
Goods and services	28 335.8	32 354.3	38 587.4	44 065.4
Interest and rent on land	52 193.7	52 879.3	54 396.1	59 995.8
Interest (including interest on finance leases)	52 193.0	52 878.6	54 395.9	59 995.0
Rent on land	0.7	0.7	0.2	0.8
Total current payments	130 103.7	141 476.8	157 956.9	180 454.0
Transfers and subsidies to:				
Provinces and municipalities	205 438.3	243 233.9	289 397.3	345 879.0
Provinces	178 867.2	205 829.6	245 302.3	295 353.2
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
Municipalities	26 571.1	37 404.3	44 095.1	50 525.8
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
Departmental agencies and accounts	38 102.1	44 531.2	53 572.4	58 512.9
Social security funds	7.0	8.5	2 508.7	12.7
Departmental agencies (non-business entities)	38 095.0	44 522.7	51 063.6	58 500.3
Universities and technikons	11 056.0	12 003.8	13 897.7	15 437.4
Foreign governments and international organisations	919.3	936.0	1 010.6	1 266.8
Public corporations and private enterprises	13 424.4	18 764.3	20 170.1	20 061.4
Public corporations	9 872.3	14 155.2	14 694.3	17 851.2
Subsidies on products or production	4 101.1	3 691.7	4 676.1	5 188.9
Other transfers to public corporations	5 771.2	10 463.5	10 018.2	12 662.3
Private enterprises	3 552.1	4 609.0	5 475.8	2 210.2
Subsidies on products or production	3 339.6	4 111.4	5 193.5	1 855.1
Other transfers to private enterprises	212.5	497.6	282.3	355.1
Non-profit institutions	882.1	1 002.8	1 220.2	1 225.3
Households	62 862.9	70 551.4	79 084.5	91 029.5
Social benefits	59 569.1	65 170.5	73 611.2	85 989.9
Other transfers to households	3 293.8	5 381.0	5 473.3	5 039.6
Total transfers and subsidies	332 685.1	391 023.5	458 352.8	533 412.3
Payments for capital assets				
Buildings and other fixed structures	2 481.5	3 838.2	5 566.8	5 961.3
Buildings	2 376.9	3 325.7	4 893.8	4 843.3
Other fixed structures	104.6	512.5	673.0	1 118.0
Machinery and equipment	3 322.8	3 210.7	2 965.0	2 741.0
Transport equipment	1 522.3	1 528.0	1 419.6	1 467.8
Other machinery and equipment	1 800.5	1 682.7	1 545.4	1 273.1
Specialised military assets	-	-	-	27.6
Biological assets	0.7	11.2	2.7	1.1
Land and subsoil assets	31.5	27.4	49.0	-
Software and other intangible assets	231.4	95.5	197.4	167.4
Total payments for capital assets	6 067.8	7 182.9	8 780.8	8 898.3
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 758.3
Total	470 192.5	541 495.7	636 063.5	755 522.9
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 4. Expenditure by economic classification 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
76 008.7	84 093.2	90 167.3	95 232.5	Current payments
				Compensation of employees
63 383.4	69 171.6	74 337.1	78 539.2	Salaries and wages
12 625.3	14 921.6	15 830.2	16 693.2	Social contributions
43 205.8	46 843.3	51 466.9	53 656.0	Goods and services
57 601.0	71 359.6	88 465.0	104 024.5	Interest and rent on land
57 600.2	71 358.7	88 464.1	104 023.5	Interest (including interest on finance leases)
0.8	0.8	0.9	1.0	Rent on land
176 815.6	202 296.0	230 099.3	252 913.0	Total current payments
				Transfers and subsidies to:
				Provinces and municipalities
345 167.9	381 726.9	417 237.3	442 587.4	Provinces
294 968.2	322 858.2	350 547.1	369 348.4	Provincial revenue funds
294 968.2	322 858.2	350 547.1	369 348.4	
50 199.7	58 868.7	66 690.2	73 239.0	Municipalities
50 199.7	58 868.7	66 690.2	73 239.0	Municipal bank accounts
57 114.3	58 456.5	65 123.0	68 388.7	Departmental agencies and accounts
12.7	11.6	12.4	13.0	Social security funds
57 101.6	58 445.0	65 110.6	68 375.7	Departmental agencies (non-business entities)
15 437.4	17 532.0	19 318.5	20 669.2	Universities and technikons
1 260.9	1 313.9	1 288.8	1 380.3	Foreign governments and international organisations
19 725.2	20 129.1	20 700.1	21 489.8	Public corporations and private enterprises
17 555.0	16 988.4	17 034.7	17 355.7	Public corporations
5 198.9	5 180.8	5 262.0	5 499.9	Subsidies on products or production
12 356.1	11 807.6	11 772.7	11 855.7	Other transfers to public corporations
2 170.1	3 140.7	3 665.4	4 134.1	Private enterprises
1 795.1	2 778.8	3 255.0	3 629.1	Subsidies on products or production
375.1	362.0	410.3	505.0	Other transfers to private enterprises
1 225.1	2 275.2	2 339.0	1 894.0	Non-profit institutions
90 622.4	98 234.2	108 805.0	117 648.6	Households
85 620.3	92 792.8	102 213.6	110 636.4	Social benefits
5 002.1	5 441.4	6 591.5	7 012.1	Other transfers to households
530 553.1	579 667.8	634 811.7	674 058.0	Total transfers and subsidies
				Payments for capital assets
5 862.9	5 994.9	7 237.3	9 660.6	Buildings and other fixed structures
4 743.8	4 537.4	4 836.4	6 935.7	Buildings
1 119.2	1 457.5	2 400.9	2 725.0	Other fixed structures
2 735.2	3 236.9	3 381.4	3 525.6	Machinery and equipment
1 467.8	1 352.7	1 474.3	1 690.0	Transport equipment
1 267.4	1 884.2	1 907.2	1 835.6	Other machinery and equipment
27.6	19.6	24.5	122.0	Specialised military assets
1.1	1.6	0.7	0.7	Biological assets
–	–	–	–	Land and subsoil assets
61.0	37.5	32.7	33.8	Software and other intangible assets
8 687.9	9 290.5	10 676.6	13 342.9	Total payments for capital assets
32 760.0	20 888.6	750.0	0.0	Payments for financial assets
748 816.5	812 142.9	876 337.6	940 313.8	Total
–	6 000.0	12 000.0	24 000.0	Contingency reserve
–	–	–	–	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹	
R million	2009/10	2010/11						
Central Government Administration								
1	The Presidency	609.6	343.0	371.9	12.2	-	727.2	117.6
2	Parliament	1 350.7	1 275.4	284.8	11.7	-	1 571.9	221.2
3	Cooperative Governance and Traditional Affairs	35 604.4	619.7	43 288.5	13.3	-	43 921.5	8 317.0
4	Home Affairs	5 050.6	3 992.4	1 587.8	139.3	-	5 719.6	669.0
5	International Relations and Cooperation	5 337.0	3 688.6	820.2	315.7	-	4 824.4	-512.6
6	Public Works	5 298.0	2 042.8	3 029.6	1 373.9	-	6 446.3	1 148.3
7	Women, Children and People with Disabilities	64.0	39.3	51.9	6.6	-	97.8	33.8
Financial and Administrative Services								
8	Government Communication and Information System	482.0	355.5	187.4	3.4	-	546.2	64.2
9	National Treasury	354 795.2	72 806.9	296 522.2	14.5	20 750.0	390 093.6	35 298.4
10	Public Enterprises	3 797.3	174.7	36.7	0.6	138.6	350.6	-3 446.8
11	Public Service and Administration	596.3	376.9	271.6	2.9	-	651.5	55.2
12	Statistics South Africa	1 608.6	1 871.5	3.8	98.1	-	1 973.4	364.8
Social Services								
13	Arts and Culture	2 623.5	311.1	2 089.1	6.6	-	2 406.7	-216.7
14	Basic Education	3 929.9	1 777.1	4 385.1	4.1	-	6 166.2	2 236.3
15	Health	17 058.1	1 063.0	20 403.3	30.7	-	21 497.0	4 438.9
16	Higher Education and Training	25 259.6	382.4	31 752.7	9.8	-	32 144.9	6 885.3
17	Labour	1 671.0	1 259.9	515.2	8.8	-	1 783.9	112.9
18	Social Development	86 408.3	543.0	95 376.0	10.1	-	95 929.1	9 520.7
19	Sport and Recreation South Africa	2 859.9	192.9	1 047.6	5.1	-	1 245.6	-1 614.3
Justice, Crime Prevention and Security								
20	Correctional Services	13 238.6	14 007.7	13.1	1 108.3	-	15 129.0	1 890.5
21	Defence and Military Veterans	32 024.4	23 099.0	6 830.1	786.2	-	30 715.3	-1 309.1
22	Independent Complaints Directorate	114.9	126.0	0.1	3.3	-	129.3	14.5
23	Justice and Constitutional Development	11 278.6	9 984.8	1 567.9	627.7	-	12 180.4	901.8
24	Police	46 409.7	49 336.4	438.4	2 781.7	-	52 556.4	6 146.7
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	2 903.5	1 773.5	1 836.5	47.9	-	3 658.0	754.5
26	Communications	2 266.9	483.2	1 626.7	4.1	-	2 114.0	-152.9
27	Economic Development	292.5	95.2	318.6	4.8	-	418.6	126.1
28	Energy	3 742.3	202.1	5 328.7	4.6	-	5 535.4	1 793.1
29	Environmental Affairs	2 261.0	910.2	1 224.3	473.3	-	2 607.8	346.8
30	Human Settlements	14 020.0	599.5	15 442.8	159.3	-	16 201.5	2 181.5
31	Mineral Resources	904.9	607.3	408.7	14.1	-	1 030.0	125.1
32	Rural Development and Land Reform	6 109.4	1 878.1	4 871.6	19.8	-	6 769.6	660.2
33	Science and Technology	4 234.1	362.0	4 249.5	4.1	-	4 615.5	381.4
34	Tourism	1 109.1	196.1	953.3	2.4	-	1 151.8	42.8
35	Trade and Industry	6 051.7	1 142.9	4 992.6	14.7	-	6 150.1	98.4
36	Transport	23 734.8	743.4	24 301.3	41.6	-	25 086.3	1 351.4
37	Water Affairs	7 462.4	3 632.8	3 238.5	1 125.3	-	7 996.6	534.2
Total	732 562.8	202 296.0	579 667.8	9 290.5	20 888.6	812 142.9	79 580.2	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a. Conditional grants to provinces 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Central Government Administration								
3	–	–	29.7	–	–	–	–	–
6	710.1	836.6	889.3	1 501.2	1 401.2	1 483.8	1 962.0	2 060.1
Financial and Administrative Services								
9	4 983.5	6 276.2	7 384.5	13 449.2	13 449.2	11 314.9	13 091.2	14 007.6
Social Services								
13	–	163.2	344.6	440.6	440.6	512.7	543.4	570.8
14	1 242.5	1 376.9	2 114.1	2 575.4	2 575.4	3 931.4	5 048.1	5 447.4
15	10 206.5	11 552.7	14 028.7	16 702.5	16 417.5	19 852.8	21 971.8	24 030.4
16	1 973.7	2 435.3	3 005.8	3 168.3	3 168.3	3 772.7	3 972.0	4 169.1
19	119.0	194.0	293.7	402.3	402.3	426.4	452.0	474.6
Economic Services and Infrastructure								
25	401.1	761.7	898.0	973.7	973.7	1 116.9	1 437.1	1 508.9
30	6 677.8	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
32	8.0	–	–	–	–	–	–	–
35	58.2	–	–	–	–	–	–	–
36	3 241.0	3 029.4	4 340.3	6 669.9	6 669.9	4 312.4	4 158.5	4 360.9
Total	29 621.6	34 775.9	43 506.6	58 475.4	58 090.4	61 884.5	69 858.4	74 568.4

1. Detail provided in the Division of Revenue Act (2010).

Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Central Government Administration								
3	6 138.4	8 954.1	9 308.4	11 633.5	11 633.5	12 740.9	15 293.3	18 557.9
6	–	–	–	201.7	201.7	623.0	1 108.0	1 163.4
Financial and Administrative Services								
9	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
Social Services								
19	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
Economic Services and Infrastructure								
28	390.7	462.5	589.1	1 108.0	1 092.2	1 240.1	1 376.6	1 151.4
36	518.0	1 174.0	2 928.7	2 428.0	2 428.0	3 709.9	4 436.1	4 136.7
37	385.7	732.9	994.6	925.0	854.6	890.1	380.0	399.0
Total	8 443.1	16 645.0	18 477.3	19 316.2	18 990.1	21 111.1	24 169.1	26 994.8

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
1	1.5	2.3	1.4	1.9	2.2	2.4	2.6
2	10.7	10.6	11.9	10.1	10.4	14.2	15.0
3	1.7	2.3	1.7	1.8	2.4	2.6	2.7
4	35.6	32.4	34.0	35.1	30.9	28.2	28.5
5	4.0	13.1	8.1	12.4	14.4	14.1	14.1
6	12.8	15.2	22.0	26.1	27.5	28.5	29.9
Financial and Administrative Services							
8	2.4	4.7	4.2	3.7	4.4	4.2	4.4
9	9.3	16.1	16.9	33.6	19.8	20.4	21.2
10	0.8	1.6	1.7	2.2	1.9	2.0	2.0
11	2.0	2.2	3.7	2.6	3.6	3.5	3.7
12	7.7	11.9	14.0	21.2	45.1	42.1	40.0
Social Services							
13	2.4	3.1	4.5	2.1	2.3	2.4	2.5
14	1.6	2.8	6.5	1.7	2.5	2.4	2.5
15	5.5	9.5	1.8	4.5	5.5	6.1	6.6
16	1.8	2.5	2.9	1.9	2.6	2.8	2.9
17	8.9	6.5	8.9	8.3	8.9	9.3	9.8
18	2.2	1.7	1.8	2.3	2.5	2.6	2.8
19	0.5	0.9	0.9	1.1	1.1	1.1	1.1
Justice, Crime Prevention and Security							
20	111.4	125.6	76.0	89.5	64.0	100.5	105.6
21	85.6	87.4	117.7	113.6	145.6	151.0	167.0
22	0.5	0.6	0.6	0.7	0.7	0.8	0.8
23	12.4	18.3	37.5	86.4	78.9	83.6	89.4
24	807.5	966.0	1 124.0	1 006.5	1 386.6	1 449.0	1 514.2
Economic Services and Infrastructure							
25	27.3	20.3	24.2	16.4	20.0	21.8	23.3
26	3.1	3.7	6.0	9.0	9.4	9.9	10.4
27	-	-	-	-	0.1	0.2	0.2
28	0.6	0.7	1.6	2.1	3.5	3.9	4.1
29	2.3	2.1	2.2	2.3	2.5	2.7	2.9
30	2.0	1.2	2.9	12.9	14.1	15.2	16.1
31	1.5	1.7	3.8	9.1	3.5	3.9	4.1
32	11.6	9.0	9.4	11.9	12.6	13.3	13.9
33	1.0	3.6	5.2	6.5	5.1	5.4	5.6
34	1.5	1.4	1.5	1.0	1.0	1.0	1.1
35	3.2	1.0	2.5	9.3	11.0	11.5	12.0
36	3.0	3.2	1.8	3.9	4.0	4.0	4.1
37	37.0	38.9	40.8	63.1	65.7	67.3	70.7
Total	1 223.1	1 424.2	1 604.9	1 616.8	2 016.3	2 133.7	2 237.8

Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
2 Parliament	–	5.1	40.5	–	–	–	–
3 Cooperative Governance and Traditional Affairs	6 138.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
4 Home Affairs	45.1	61.4	68.0	56.1	67.2	132.5	129.8
5 International Relations and Cooperation	119.4	649.9	926.7	423.2	231.5	249.8	317.0
6 Public Works	414.1	488.0	988.4	1 220.6	1 303.9	1 603.9	1 634.7
Financial and Administrative Services							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
Social Services							
13 Arts and Culture	312.1	281.2	448.6	801.4	557.8	455.6	483.0
14 Basic Education	–	–	–	–	80.0	200.0	210.0
15 Health	1 498.7	2 118.5	1 884.8	3 495.2	3 939.6	3 789.7	3 805.0
16 Higher Education and Training	90.5	77.5	54.8	37.0	32.0	26.0	22.0
17 Labour	78.5	64.4	37.6	56.8	25.9	34.6	0.0
19 Sport and Recreation South Africa	600.0	4 605.0	4 295.0	1 661.1	302.3	–	–
Justice, Crime Prevention and Security							
20 Correctional Services	794.8	1 087.0	1 035.5	1 012.5	1 108.3	1 163.1	2 675.6
21 Defence and Military Veterans	49.2	93.4	476.5	452.0	1 120.7	841.1	1 218.3
23 Justice and Constitutional Development	323.7	361.1	479.5	515.5	631.5	759.4	865.0
24 Police	510.5	727.0	843.3	1 049.7	1 118.2	1 235.3	1 544.6
Economic Services and Infrastructure							
25 Agriculture, Forestry and Fisheries	120.0	112.0	108.6	115.0	172.9	270.8	253.5
26 Communications	100.0	646.0	950.0	810.0	420.9	279.0	167.0
28 Energy	1 328.9	1 525.6	1 888.8	2 400.3	4 271.9	4 366.4	4 565.5
29 Environmental Affairs	199.8	405.7	437.4	512.3	656.7	664.8	693.0
30 Human Settlements	–	3 829.9	1 885.1	1 674.3	2 014.8	2 248.4	2 341.9
32 Rural Development and Land Reform	14.4	5.6	6.3	11.8	17.4	18.3	44.7
33 Science and Technology	175.0	272.0	408.0	699.3	745.7	801.0	254.4
35 Trade and Industry	468.0	911.0	967.5	1 283.3	769.9	721.4	758.6
36 Transport	5 801.6	7 934.8	10 601.2	12 799.8	14 131.7	16 038.7	16 542.4
37 Water Affairs	85.9	644.4	1 467.1	1 976.8	2 279.9	3 358.1	3 805.1
Total	24 304.4	41 988.0	47 205.2	54 408.3	61 099.7	68 813.1	76 057.9

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9. Personnel expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	100.5	118.7	144.3	187.4	184.4	218.1	242.4	258.2
2	Parliament	446.6	521.0	708.6	780.1	780.1	856.1	905.7	951.2
3	Cooperative Governance and Traditional Affairs	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
4	Home Affairs	844.7	1 087.0	1 296.0	1 659.1	1 659.1	1 896.2	2 134.8	2 243.7
5	International Relations and Cooperation	1 136.5	1 293.2	1 683.4	2 062.6	2 062.6	2 017.1	2 101.4	2 203.1
6	Public Works	613.6	746.4	916.6	1 012.2	1 012.2	1 121.4	1 201.7	1 249.6
7	Women, Children and People with Disabilities	3.8	4.8	5.9	10.0	10.0	15.7	27.5	29.9
Financial and Administrative Services									
8	Government Communication and Information System	84.1	116.2	114.0	137.1	136.9	147.0	157.5	166.3
9	National Treasury	230.9	272.7	321.0	438.5	408.5	538.5	573.0	598.6
10	Public Enterprises	47.2	56.0	70.4	81.4	81.4	88.0	93.5	98.3
11	Public Service and Administration	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
12	Statistics South Africa	414.9	472.0	700.7	1 015.8	1 015.8	891.0	1 065.1	992.5
Social Services									
13	Arts and Culture	95.1	107.2	126.8	146.3	141.3	149.0	159.4	168.7
14	Basic Education	117.0	150.4	186.3	229.9	251.4	255.4	273.8	288.1
15	Health	231.7	258.6	292.5	329.1	329.1	369.7	403.4	442.4
16	Higher Education and Training	131.7	146.2	174.8	203.3	203.6	228.9	245.8	261.1
17	Labour	435.4	497.9	491.3	632.6	611.2	738.4	760.6	811.4
18	Social Development	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
19	Sport and Recreation South Africa	30.1	43.4	54.5	67.6	59.6	75.3	73.7	77.4
Justice, Crime Prevention and Security									
20	Correctional Services	5 606.6	6 799.2	8 077.8	9 313.0	9 313.0	10 483.8	11 058.5	11 611.2
21	Defence and Military Veterans	9 037.6	9 735.9	10 620.0	12 223.2	12 223.2	13 450.4	14 630.1	15 686.9
22	Independent Complaints Directorate	36.8	45.7	58.0	66.5	66.5	74.1	85.5	90.4
23	Justice and Constitutional Development	3 619.7	4 250.9	5 326.2	6 277.1	6 233.7	6 834.7	7 375.3	7 846.8
24	Police	22 730.2	25 610.6	29 147.4	33 770.2	33 770.2	37 148.8	39 660.3	41 777.4
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
26	Communications	99.0	97.7	108.0	147.4	147.4	160.4	169.2	177.9
27	Economic Development	-	-	-	12.6	12.6	59.5	78.0	89.8
28	Energy	49.7	68.2	84.6	113.1	112.1	133.0	140.4	142.8
29	Environmental Affairs	156.7	196.3	212.3	260.3	260.3	324.9	351.5	368.9
30	Human Settlements	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
31	Mineral Resources	196.4	222.3	245.5	287.6	287.0	352.3	392.1	414.7
32	Rural Development and Land Reform	406.0	476.4	614.2	954.8	954.8	1 072.2	1 141.5	1 199.8
33	Science and Technology	83.7	104.1	144.9	200.2	200.2	215.0	227.3	239.1
34	Tourism	102.8	130.8	106.4	89.6	89.6	98.5	112.1	160.6
35	Trade and Industry	283.6	327.5	383.1	513.0	469.0	557.8	590.4	628.5
36	Transport	111.2	131.3	182.6	221.0	221.0	259.4	282.2	296.6
37	Water Affairs	972.0	890.7	862.5	1 043.1	1 001.4	1 166.5	1 196.7	1 212.4
Total		49 574.2	56 243.2	64 973.4	76 392.8	76 008.7	84 093.2	90 167.3	95 232.5

Table 10. Departmental receipts per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	1.7	0.3	0.2	0.5	0.5	0.3	0.3	0.3
2	Parliament	41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
3	Cooperative Governance and Traditional Affairs	6.8	0.7	0.8	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	468.2	421.1	355.7	429.5	429.5	455.3	482.6	506.7
5	International Relations and Cooperation	46.3	65.1	43.6	39.2	18.4	31.2	33.3	33.2
6	Public Works	79.9	95.8	28.5	25.6	31.5	26.6	27.7	29.4
Financial and Administrative Services									
8	Government Communication and Information System	3.1	3.1	3.3	2.9	2.9	3.0	3.0	3.0
9	National Treasury	4 355.1	6 116.7	5 270.4	4 148.5	3 839.0	2 354.2	2 544.8	2 602.9
10	Public Enterprises	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.1
11	Public Service and Administration	1.8	2.7	1.0	0.9	0.9	0.7	0.7	0.7
12	Statistics South Africa	1.5	17.7	2.8	6.9	6.9	2.2	2.5	2.6
Social Services									
13	Arts and Culture	3.2	0.4	3.6	1.0	1.0	0.6	0.6	0.7
14	Basic Education	0.6	1.9	1.5	0.9	0.9	1.1	1.2	1.2
15	Health	33.3	41.2	31.2	33.7	33.7	31.5	32.8	32.9
16	Higher Education and Training	6.2	6.9	6.7	6.5	6.6	6.9	7.0	7.0
17	Labour	6.1	8.4	28.9	12.9	12.9	16.1	22.4	24.3
18	Social Development	865.3	237.0	16.5	0.2	20.2	510.2	10.2	10.2
19	Sport and Recreation South Africa	5.6	0.0	0.3	0.6	5.7	0.3	0.4	0.4
Justice, Crime Prevention and Security									
20	Correctional Services	100.0	136.3	80.5	131.2	136.7	143.4	152.0	161.0
21	Defence and Military Veterans	492.8	551.9	629.4	676.7	676.7	702.5	729.2	756.9
22	Independent Complaints Directorate	0.0	0.4	0.1	0.1	0.1	0.1	0.1	0.1
23	Justice and Constitutional Development	319.5	317.0	356.8	358.9	358.9	377.6	399.8	422.5
24	Police	251.9	345.1	376.5	332.6	332.6	341.7	321.3	324.5
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	141.1	121.1	254.0	219.7	216.7	119.3	121.5	118.2
26	Communications	2 613.8	3 007.4	3 520.1	933.0	1 160.8	925.0	959.4	993.4
27	Economic Development	177.5	229.3	244.4	484.8	420.0	230.0	243.8	250.0
28	Energy	0.1	1.2	3.3	3.5	3.5	3.7	3.9	4.1
29	Environmental Affairs	4.9	4.7	8.5	2.7	2.7	0.8	0.8	0.8
30	Human Settlements	1.9	0.7	2.4	0.5	2.8	0.5	0.5	0.6
31	Mineral Resources	191.0	267.1	261.3	161.8	161.8	205.6	211.8	213.9
32	Rural Development and Land Reform	158.8	176.4	64.2	231.2	61.1	68.4	69.0	64.5
33	Science and Technology	1.0	0.2	0.3	1.0	1.0	0.1	0.1	0.1
35	Trade and Industry	66.6	94.2	64.9	66.7	67.0	108.3	114.9	120.2
36	Transport	330.4	362.5	215.8	231.7	116.6	127.8	137.4	144.3
37	Water Affairs	137.2	0.1	26.6	72.6	39.8	41.2	44.0	44.0
Total departmental receipts as per Estimates of National Expenditure		10 915.2	12 686.3	11 960.0	8 635.5	8 188.0	6 852.2	6 691.4	6 887.0
Less: Parliament (retained departmental receipts)		41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
Plus: South African Revenue Service departmental receipts collection		-30.0	58.0	711.4	1 205.8	812.4	3 543.6	4 803.7	5 503.9
Total departmental receipts as per Budget Review		10 843.3	12 692.6	12 616.2	9 825.0	8 982.6	10 380.3	11 483.2	12 379.4

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions.

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

R million	2010/11					2011/12	2012/13
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by the department for its operational requirements.

Transfers and subsidies are payments made by the department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in departments where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide accountability information: the department's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the appropriation bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2009 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2009 Budget estimate							

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.

Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

Personnel numbers refers to the physical number (head count) of people employed by the department.

Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

Unitary fee refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Project monitoring costs are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Revenue generated is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government components for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance on infrastructure refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all tables a dash (-) indicates that information is unavailable or zero.

Higher Education and Training

National Treasury
Republic of South Africa



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Vote 16

Higher Education and Training

Budget summary

R thousand	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	100 545	99 928	141	476	106 086	115 742
Human Resource Development, Planning and Monitoring Coordination	26 004	25 233	428	343	28 794	31 874
University Education	19 534 688	30 785	19 503 480	423	21 681 852	23 209 155
Vocational and Continuing Education and Training	3 891 183	118 113	3 772 661	409	4 100 383	4 305 771
Skills Development	168 278	108 365	51 731	8 182	187 483	193 587
Subtotal	23 720 698	382 424	23 328 441	9 833	26 104 598	27 856 129
Direct charge against the National Revenue Fund						
Sector education and training authorities	6 739 382	6 739 382	-	-	7 318 967	7 684 915
National Skills Fund	1 684 846	1 684 846	-	-	1 829 745	1 921 233
Total expenditure estimates	32 144 926	8 806 652	23 328 441	9 833	35 253 310	37 462 277
Executive authority	Minister of Higher Education and Training					
Accounting officer	Director-General of Higher Education and Training					
Website address	www.education.gov.za					

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

Aim

The aim of the Department of Higher Education and Training is to develop and support a quality higher and vocational education sector, and promote access to higher and vocational education and skills development training opportunities.

Programme purposes

Programme 1: Administration

Purpose: Overall management and administration of the department.

Programme 2: Human Resource Development, Planning and Monitoring Coordination

Purpose: Strategic direction in the development, implementation and monitoring of departmental policies. Coordinate activities in relation to the human resource development strategy for South Africa.

Programme 3: University Education

Purpose: Develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. Financial support to universities, the National Student Financial Aid Scheme and the National Institute for Higher Education.

Programme 4: Vocational and Continuing Education and Training

Purpose: Plan, develop, evaluate, monitor and maintain national policy, programmes and systems for vocational and continuing education and training, including further education and training colleges and post-literacy adult education.

Programme 5: Skills Development

Purpose: Promote and monitor the national skills development strategy.

Strategic overview: 2006/07 – 2012/13

The new department

The Department of Higher Education and Training was created by a presidential proclamation in July 2009. The presidential mandate, which assigns legislation previously administered by the departments of education and labour, requires the Department of Higher Education and Training to create a single and coherent post-school education and training system that is structured to meet the aspirations of youth and adults.

In the period 2006/07 to 2009/10, the work that is now the responsibility of the Department of Higher Education and Training was taken forward separately in the strategic plans of the departments of education and labour, with funds appropriated for that purpose and complemented by funds raised by the skills levy. The Department of Higher Education and Training will present its first strategic plan and budget in 2010/11.

The bringing together of all legislation governing higher education and training into one department is an important development: while building on the work done by the Department of Labour and the former Department of Education, it will enable the integration of education and training and create new possibilities for tracking skills demand and steering responsive education and training systems. The location of the sub-systems of further education and training colleges, universities, and occupational learning and work training centres into one department allows for maximising coordination among these components of the learning delivery system. It presents an opportunity for skills development strategies within the larger unified higher education and training system to be reconceptualised with potentially positive developments on the post-school education and training system. These skills development initiatives are directed by the national human resource development strategy.

Strategic overview of functions in the Department of Higher Education and Training previously administered by the former Department of Education

New human resource development strategy for South Africa

Over the medium term, the department aims to support key government policies through activities that contribute to the growth and development of the economy, increase the ability of the economy to create employment, address the needs of the vulnerable and poor, promote social security in contributing to poverty alleviation, and address racial and gender inequality. The second human resource development strategy for South Africa, which was introduced in April 2009, will be a key vehicle for meeting these goals. The first national human resource development strategy was adopted jointly by the ministers of education and labour in 2001 for a five-year period. Leadership of the strategy was subsequently transferred from the Department of Labour to the former Department of Education. The new strategy embraces the lessons learnt from the implementation of the first strategy and will be led by the deputy president. The department will provide the secretariat and research base for the new strategy. The strategy will provide the guiding framework for the national skills development strategy, which guides the work of the sector education and training authorities and the National Skills Fund and determines the allocation of skills levies.

Transforming higher education

Following the adoption of the national plan for higher education in 2001, the key focus over the past few years has been transformation. This has involved: the restructuring of the higher education landscape (including the establishment of the national institutes for higher education in Mpumalanga and Northern Cape); a review of

university funding; the introduction of a new funding framework and improvements in linking planning, funding and quality assurance; and a review of the efficacy of the National Student Financial Aid Scheme, which is currently under way. From 2006/07 to 2009/10, universities received significant investment in the form of earmarked grants, particularly to improve institutional infrastructure for teaching, learning and student residences, as well as to improve academic efficiency.

Focus over the medium term

The department continuously assesses the appropriateness of its regulatory framework for the university sub-system and is currently finalising the review of the regulatory framework for private institutions, to simplify registration processes without a loss of efficacy. In this context, the focus over the medium term will be to review existing legislation where appropriate, in particular the regulations and procedures for the registration of private universities.

In addition, revised policies and criteria for the use of research and teaching development grants are being developed.

The department will continue to assist institutions with capacity building and support student representative councils, with a particular focus on improving the efficacy of institutional forums, following a systematic review of these forums.

A framework is being developed for the internationalisation of the university sub-system, aimed at improving the utilisation of international opportunities and assistance to other countries, with an emphasis on the African continent.

Existing initiatives in relation to institutional support will continue to ensure the provision of quality graduates required for the country's social and economic development. This will be managed through the refinement of the enrolment planning process through targeting and strategies developed in the new human resource development strategy for South Africa and the national skills development strategy, continued support to and development of the National Institute for Higher Education, and the monitoring of institutional equity, access, diversity and outputs. Emphasis will also be placed on improving all-round institutional efficiency and articulation between the further education and training colleges and the rest of the higher education system.

Increased funding for teacher education

The teacher education system has received increased funding over the past three years through the Funza Lushaka bursary fund administered by the National Student Financial Aid Scheme. Additional support in the form of earmarked grants was provided to strengthen the capacity of education faculties and schools in 2009 to reverse the decline in the number of newly qualified teachers after the incorporation of teacher education into universities in 2001. A task team is currently working on a national plan for strengthening the capacity of higher education and training institutions to develop quality teachers in greater numbers as the teacher education sub-system needs to grow significantly to meet the supply needs of the basic education system.

Growing the further education and training college sub-system

The further education and training college sub-system has grown and changed over the last 15 years and further changes are anticipated over the medium term, most notably the transfer of responsibility for the colleges from provinces to the national sphere. Until the legislative framework for the shift has been finalised, the sub-system will be funded through a schedule 4 conditional grant. As part of the development of the further education and training college sector, the 50 colleges were recapitalised, modern curricula were developed and implemented, student support and tracking services were developed and credible and reliable examinations were delivered. Key policy developments were: regulations for the registration of private further education and training institutions; funding norms and standards for further education and training colleges; a national policy on the conduct, administration and management of the assessment of the national certificate (vocational); subject assessment guidelines for national certificate (vocational) levels 2, 3 and 4; and a plan for further education and training. Over the medium term, an increase in the number of young people and adults accessing continuing education at technical and vocational centres is planned so that an inclusive growth path for youth and adults for further education and training colleges is supported.

Strategic overview of functions in the Department of Higher Education and Training previously administered by the Department of Labour

Skills development

The Skills Development Amendment Act (2008) was promulgated in December 2008, and provides the framework for government's various skills development functions. These functions, previously administered by the Department of Labour, include oversight of the National Skills Fund, coordination of the sector education and training authorities, oversight of the Institute for the National Development of Learnerships Employment Skills and Labour Assessments, and coordinating the work of the Quality Council for Trades and Occupations.

Over the medium term, the Department of Higher Education and Training has prioritised improving the provision and alignment of the support of the sector education and training authorities and the National Skills Fund to universities and colleges. It has also prioritised the strengthening of the National Skills Authority to ensure that it has the necessary leadership and administrative, policy and research capacity for it to perform its advisory role to the minister. A further priority is aligning the work of the National Skills Authority with the new human resource development strategy for South Africa in order to guide the National Skills Fund and the sector education and training authorities.

Savings and cost effective service delivery

Although the Department of Higher Education and Training is a newly established department, efficiency savings of R1.2 million in 2011/12 and R1.6 million in 2012/13, on items such as travel and subsistence, advertising costs, venues and facilities, and inventory, have been identified across all programmes.

Selected performance indicators

Table 16.1 Higher Education and Training

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of students enrolled in higher education institutions per year	University Education	741 000	761 100	799 000	815 000	816 400	836 810	869 000
Proportion of higher education enrolments in science, engineering and technology: business: humanities	University Education	29:30:41	28:30:42	28:29:43	29:29:43	30:33:37	30:33:37	30:28:42
Number of higher education graduates per year	University Education	124 000	126 900	133 000	137 100	141 900	147 576	158 700
Number of new artisans registered for training by sector education and training authorities	Skills Development	0	4 304	17 228	12 600	*	*	*
Number of trained artisans participating in trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments per year	Skills Development	7 905	9 000	8 337	12 000	*	*	*
Percentage pass rate of participants in trade tests per year	Skills Development	40% (3 192)	35% (1 575)	41% (3 418)	45.0%	50.0%	*	*

* Subject to revised national skills development strategy targets which still need to be finalised

Expenditure estimates

Table 16.2 Higher Education and Training

Programme	Audited outcome			Adjusted	Revised	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	appropriation	estimate	2010/11	2011/12	2012/13
R thousand				2009/10				
1. Administration	67 555	73 154	90 878	104 278	103 408	100 545	106 086	115 742
2. Human Resource Development, Planning and Monitoring Coordination	21 866	24 697	24 445	29 156	28 204	26 004	28 794	31 874
3. University Education	11 991 782	13 238 985	15 409 708	17 149 095	17 148 155	19 534 688	21 681 852	23 209 155
4. Vocational and Continuing Education and Training	2 100 745	2 543 407	3 110 320	3 260 231	3 262 993	3 891 183	4 100 383	4 305 771
5. Skills Development	110 254	117 104	130 545	153 824	139 086	168 278	187 483	193 587
Subtotal	14 292 202	15 997 347	18 765 896	20 696 584	20 681 846	23 720 698	26 104 598	27 856 129
Direct charge against the National Revenue Fund	5 328 427	6 284 306	7 234 135	7 749 980	7 749 980	8 424 228	9 148 712	9 606 148
Sector education and training authorities	4 262 741	5 027 445	5 787 308	6 199 984	6 199 984	6 739 382	7 318 967	7 684 915
National Skills Fund	1 065 686	1 256 861	1 446 827	1 549 996	1 549 996	1 684 846	1 829 745	1 921 233
Total	19 620 629	22 281 653	26 000 031	28 446 564	28 431 826	32 144 926	35 253 310	37 462 277
Change to 2009 Budget estimate				10 689 266	10 674 528	12 386 284	13 638 239	14 766 270

Economic classification

Current payments	277 976	273 855	318 741	343 399	328 661	382 424	419 081	443 452
Compensation of employees	131 747	146 229	174 819	203 339	203 553	228 901	245 795	261 122
Goods and services	146 229	127 626	143 922	140 060	125 108	153 523	173 286	182 330
<i>of which:</i>								
<i>Administrative fees</i>	493	818	214	280	80	822	885	953
<i>Advertising</i>	5 333	5 050	4 634	2 981	2 181	2 912	3 372	3 376
<i>Assets less than the capitalisation threshold</i>	2 097	1 825	1 268	1 544	1 881	1 818	2 496	2 728
<i>Audit cost: External</i>	1 302	1 517	1 788	1 805	1 805	2 530	2 662	2 724
<i>Bursaries: Employees</i>	159	121	119	417	417	392	197	207
<i>Catering: Departmental activities</i>	639	776	966	1 603	1 363	1 472	1 464	1 513
<i>Communication</i>	3 451	3 804	4 031	4 141	4 141	3 854	4 041	4 179
<i>Computer services</i>	23 269	23 295	20 043	17 509	17 509	33 837	33 832	35 897
<i>Consultants and professional services: Business and advisory services</i>	4 297	762	1 931	7 306	1 506	4 969	7 113	7 785
<i>Consultants and professional services: Infrastructure and planning</i>	-	-	19 282	780	780	-	-	-
<i>Consultants and professional services: Legal costs</i>	297	413	252	1 652	1 652	443	463	484
<i>Contractors</i>	1 192	3 246	567	1 398	638	2 914	4 257	4 396
<i>Agency and support / outsourced services</i>	24 970	12 031	6 970	4 044	4 044	5 084	12 045	12 142
<i>Entertainment</i>	129	187	223	195	195	188	208	229
<i>Fleet services (including government motor transport)</i>	1 184	752	751	393	393	843	937	961
<i>Inventory: Food and food supplies</i>	1 739	1 411	1 720	1 830	1 830	693	1 109	1 109
<i>Inventory: Fuel, oil and gas</i>	68	152	135	188	188	71	114	114
<i>Inventory: Learner and teacher support material</i>	220	529	80	690	690	801	821	888
<i>Inventory: Materials and supplies</i>	2 719	4 176	5 370	28	28	29	29	31
<i>Inventory: Medical supplies</i>	2	-	14	110	110	42	67	67
<i>Inventory: Other consumables</i>	715	849	942	1 104	1 104	562	769	780
<i>Inventory: Stationery and printing</i>	7 943	5 219	7 055	7 917	4 917	6 303	7 264	7 742
<i>Lease payments</i>	12 746	12 828	4 177	42 675	42 675	25 673	26 759	28 171
<i>Property payments</i>	2 674	1 770	10 570	2 732	2 732	4 380	4 694	5 001
<i>Travel and subsistence</i>	28 363	31 537	35 761	22 994	25 327	42 450	45 881	48 396
<i>Training and development</i>	5 445	2 357	1 704	1 883	1 883	2 376	2 567	2 692
<i>Operating expenditure</i>	8 010	7 465	7 618	5 675	2 675	4 453	5 141	5 357
<i>Venues and facilities</i>	6 773	4 736	5 737	6 186	2 364	3 612	4 099	4 408

Table 16.2 Higher Education and Training (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Transfers and subsidies	19 321 173	21 986 488	25 676 280	28 092 091	28 092 091	31 752 669	34 828 222	37 012 585
Provinces and municipalities	1 973 829	2 435 281	3 005 826	3 168 340	3 168 340	3 772 661	3 971 989	4 169 088
Departmental agencies and accounts	6 359 420	7 606 855	8 872 316	9 624 414	9 624 414	10 462 840	11 553 056	12 190 160
Universities and technikons	10 985 688	11 941 539	13 797 403	15 297 196	15 297 196	17 516 740	19 302 723	20 652 860
Foreign governments and international organisations	310	350	390	410	410	428	454	477
Households	1 926	2 463	345	1 731	1 731	-	-	-
Payments for capital assets	10 555	4 879	4 907	11 074	11 074	9 833	6 007	6 240
Buildings and other fixed structures	3 318	-	643	3 000	3 000	-	-	-
Machinery and equipment	7 231	4 827	4 078	8 003	8 003	9 778	5 944	6 190
Software and other intangible assets	6	52	186	71	71	55	63	50
Payments for financial assets	10 925	16 431	103	-	-	-	-	-
Total	19 620 629	22 281 653	26 000 031	28 446 564	28 431 826	32 144 926	35 253 310	37 462 277

Expenditure trends

Excluding direct charges against the National Revenue Fund, expenditure increased from R14.3 billion in 2006/07 to R20.7 billion in 2009/10, at an average annual rate of 13.1 per cent, and is expected to grow at an average annual rate of 10.4 per cent over the medium term to reach R27.9 billion. Increases for both periods are mainly due to increases in the higher education subsidy, and for the National Student Financial Aid Scheme.

In 2009/10, the department was split from the former Department of Education, and it took on some functions formerly carried out by the Department of Labour. There is an increase of 126.5 per cent in payments for capital assets in 2009/10 as capital assets were bought as part of the set up costs of the new department. Over the medium term, expenditure on this item is expected to decrease at an average annual rate of 17.6 per cent as the department's expenditure on capital assets will primarily be for maintenance.

Spending is dominated by the *University Education* programme, which comprises an average of 82.9 per cent of total expenditure annually over the medium term. Expenditure in this subprogramme consists mainly of transfers to higher education institutions and the National Student Financial Aid Scheme.

The department will also administer the further education and training colleges conditional grant, which will allow the department to oversee the shift of the further education and training college function from the provincial to national sphere. R10.6 billion over the MTEF period is shifted to the department from the equitable share for this purpose and an additional R1.3 billion is added to this new grant to improve the delivery of programmes at these colleges. This sees the grant allocation growing by an average annual rate of 9.6 per cent over the medium term from R3.2 billion in 2009/10 to R4.2 billion in 2012/13.

The department receives additional allocations over the MTEF period of R421.1 million, R761.3 million and R1 249 million, mainly for:

- higher education institutions (R300 million in 2011/12 and R700 million in 2012/13)
- the National Student Financial Aid Scheme to provide additional financial assistance to poor students at higher education institutions (R57.6 million in 2012/13)
- funding for the newly established department (R20 million, R30 million and R40 million)
- adjustments for compensation of employees (R1.2 million, R1.3 million and R1.4 million)
- addition to the new further education and training colleges conditional grant (R400 million, R430 million and R450 million).

Infrastructure spending

In the past, universities assisted with infrastructure projects through contributions to universities' interest and redemption payments on loans obtained from financial institutions. While the department continues to honour

these agreements, a new funding model for infrastructure delivery was introduced in 2008/09 in which the department co-funds approved infrastructure projects.

Departmental receipts

Departmental receipts are not significant and arise mainly from the repayment of government loans by higher education institutions. Departmental receipts totalling R6.6 million are expected for 2009/10 and are projected to increase to R7 million in 2012/13.

Table 16.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts	6 185	6 873	6 744	6 522	6 570	6 890	6 983	7 001
Sales of goods and services produced by department	629	694	834	530	910	849	889	907
Sales of scrap, waste, arms and other used current goods	2	–	28	60	20	40	43	43
Interest, dividends and rent on land	4 155	4 037	4 101	4 162	3 902	4 118	4 114	4 106
Sales of capital assets	94	12	–	–	3	–	–	–
Transactions in financial assets and liabilities	1 305	2 130	1 781	1 770	1 735	1 883	1 937	1 945
Total	6 185	6 873	6 744	6 522	6 570	6 890	6 983	7 001

Programme 1: Administration

Expenditure estimates

Table 16.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Minister ¹	524	565	790	1 529	1 816	1 916	2 012
Management	18 576	22 546	25 753	25 195	25 358	26 993	30 141
Corporate Services	39 610	41 084	54 723	66 175	47 820	50 061	55 117
Office Accommodation	8 845	8 959	9 612	11 379	25 551	27 116	28 472
Total	67 555	73 154	90 878	104 278	100 545	106 086	115 742
Change to 2009 Budget estimate				900	12 685	13 718	18 850

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Economic classification

Current payments	60 351	62 495	89 713	101 252	99 928	105 509	115 148
Compensation of employees	23 918	27 200	33 534	38 106	39 341	42 300	48 340
Goods and services	36 433	35 295	56 179	63 146	60 587	63 209	66 808
<i>of which:</i>							
<i>Administrative fees</i>	<i>33</i>	<i>117</i>	<i>173</i>	<i>231</i>	<i>522</i>	<i>580</i>	<i>641</i>
<i>Advertising</i>	<i>2 413</i>	<i>2 380</i>	<i>1 466</i>	<i>1 260</i>	<i>1 395</i>	<i>1 448</i>	<i>1 539</i>
<i>Assets less than the capitalisation threshold</i>	<i>501</i>	<i>429</i>	<i>115</i>	<i>167</i>	<i>112</i>	<i>124</i>	<i>132</i>
<i>Audit cost: External</i>	<i>1 302</i>	<i>1 517</i>	<i>1 788</i>	<i>1 805</i>	<i>2 276</i>	<i>2 275</i>	<i>2 343</i>
<i>Bursaries: Employees</i>	<i>137</i>	<i>116</i>	<i>99</i>	<i>187</i>	<i>192</i>	<i>197</i>	<i>207</i>
<i>Catering: Departmental activities</i>	<i>53</i>	<i>83</i>	<i>64</i>	<i>79</i>	<i>85</i>	<i>46</i>	<i>59</i>
<i>Communication</i>	<i>1 229</i>	<i>1 292</i>	<i>1 406</i>	<i>1 284</i>	<i>1 147</i>	<i>1 200</i>	<i>1 259</i>
<i>Computer services</i>	<i>6 809</i>	<i>7 246</i>	<i>6 927</i>	<i>7 403</i>	<i>15 424</i>	<i>15 990</i>	<i>17 270</i>

Table 16.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<i>Consultants and professional services:</i>	4 016	736	860	312	243	254	241
<i>Business and advisory services</i>							
<i>Consultants and professional services:</i>	–	–	19 282	780	–	–	–
<i>Infrastructure and planning</i>							
<i>Consultants and professional services:</i>	–	–	–	240	–	–	–
<i>Legal costs</i>							
<i>Contractors</i>	472	854	192	406	479	486	496
<i>Agency and support / outsourced services</i>	297	654	991	146	466	512	519
<i>Entertainment</i>	118	159	198	145	188	208	219
<i>Fleet services (including government motor transport)</i>	719	557	564	216	269	292	313
<i>Inventory: Learner and teacher support material</i>	211	437	54	456	469	482	504
<i>Inventory: Materials and supplies</i>	108	20	20	26	29	29	31
<i>Inventory: Other consumables</i>	141	183	254	217	222	228	239
<i>Inventory: Stationery and printing</i>	1 232	891	1 329	1 159	1 185	1 220	1 273
<i>Lease payments</i>	9 123	8 892	742	36 743	22 168	23 220	24 280
<i>Property payments</i>	831	672	9 985	2 038	4 361	4 674	4 979
<i>Travel and subsistence</i>	4 946	6 625	7 296	5 832	6 739	6 977	7 368
<i>Training and development</i>	456	404	227	640	1 023	1 050	1 102
<i>Operating expenditure</i>	1 255	812	1 923	1 173	1 360	1 462	1 514
<i>Venues and facilities</i>	31	219	224	193	231	255	280
Transfers and subsidies	783	766	179	1 212	141	150	158
Provinces and municipalities	15	–	–	–	–	–	–
Departmental agencies and accounts	55	65	60	74	141	150	158
Households	713	701	119	1 138	–	–	–
Payments for capital assets	1 342	1 464	986	1 814	476	427	436
Machinery and equipment	1 336	1 435	977	1 802	476	414	436
Software and other intangible assets	6	29	9	12	–	13	–
Payments for financial assets	5 079	8 429	–	–	–	–	–
Total	67 555	73 154	90 878	104 278	100 545	106 086	115 742

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	15	–	–	–	–	–	–
Regional Service Council levies	15	–	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	55	65	60	74	141	150	158
Claims against the state	14	22	5	–	–	–	–
Education, Training and Development Practices Sector Education and Training Authority	41	43	55	74	141	150	158
Households							
Social benefits							
Current	713	701	119	1 138	–	–	–
Employee social benefits	713	701	119	1 138	–	–	–

Expenditure trends

Expenditure increased at an average annual rate of 15.6 per cent, from R67.6 million in 2006/07 to R104.3 million in 2009/10. It is expected to increase further over the medium term, at an average annual rate of 3.5 per cent to reach R115.7 million in 2012/13.

Programme 2: Human Resource Development, Planning and Monitoring Coordination

- *Human Resource Development, Strategic Planning and Coordination* provides strategic direction in the development, implementation and monitoring of departmental policies, and coordinates activities in relation to the national human resource development strategy. Funding is mainly used for projects, compensation of employees and other personnel related costs.
- *Planning, Information, Monitoring and Evaluation Coordination* monitors and evaluates policy outputs of the department and coordinates research in the fields of higher education and training. It also ensures that education policies and legislation are developed into well functioning systems, and promotes the development and operation of higher education and training information systems. Funding is mainly used for compensation of employees and other related personnel costs.
- *International Relations* develops, promotes and renders international relations and supports the United Nations Educational, Scientific and Cultural Organisation in the higher education sub-system. It also manages, monitors and reports on international donor grant funding. Funding is mainly used for international delegations hosted by the minister, transfers to international organisations, compensation of employees and other related personnel costs.
- *Legal and Legislative Services* manages the legal and legislative services of the department. Funding is mainly used for compensation of employees and other personnel related costs.
- *Social Inclusion in Education* promotes access to and participation by all learners in higher education and training programmes. Funding is mainly used for compensation of employees and other related personnel costs.

Objectives and measures

- Increase the ability of the economy to create employment by ensuring the finalisation of the restructured human resource development strategy for South Africa, including setting up and supporting the Human Resource Development Council by March 2011.
- Improve educational planning by ensuring that a master system plan is developed to integrate all education and training information, particularly learner unit record databases, by March 2011.
- Deal with access, equity and quality issues by:
 - developing an education and training system sector plan and compiling a monitoring and evaluation report on the system by March 2012
 - establishing a well functioning social inclusion, equity and transformation unit to serve all the sub-systems in the higher education and training landscape by March 2014.
- Align the legislative framework with the new department's functions and policies by amending all related legislation and regulations and promulgating new legislation and regulations to reflect the policy requirements of the higher education and training system by March 2011.

Service delivery focus

The human resource development strategy for South Africa is being revised to take into account the current economic situation, the new structure of government and government's new medium term strategic framework in order to: ensure smooth, integrated, coordinated and coherent human resource development planning; establish institutional mechanisms for coordination, integration, coherence, accountability and reporting; deal with shortcomings in labour market information; and establish effective and efficient planning capabilities for human resource development in relevant departments and entities.

An integrated education and training management information system will assist in the state being responsive to the education, training and human resource development needs of the country to enable the department to provide users with a report on the state of the system and to highlight areas of concern that may require intervention. The department will focus on developing an integrated education and training management information system that will link all education and training providers to one system in 2010/11.

The India-Brazil-South Africa exchange programme is operational and aims to improve research and postgraduate opportunities in strategic areas such as education, trade, and science and technology. South Africa will take responsibility for 2 thematic areas over the medium term: global governance and international trade and investment; and higher education. The department will also establish mechanisms for coordinating, monitoring and evaluating the policy framework on the internationalisation of higher education and training programmes in South Africa in 2010/11.

The social inclusion, equity and transformation unit in the department will monitor and support transformation processes across the higher education and training system through research and partnership development. Coherent career guidance and information services for higher education and training will also be supported during this period.

Expenditure estimates

Table 16.5 Human Resource Development, Planning and Monitoring Coordination

Subprogramme	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R thousand							
Human Resource Development, Strategic Planning and Coordination	2 151	3 650	4 226	5 240	5 756	7 130	7 674
Planning, Information, Monitoring and Evaluation Coordination	3 847	5 456	6 943	8 107	5 167	5 539	6 114
International Relations	8 435	8 650	5 041	6 020	6 268	6 687	7 430
Legal and Legislative Services	1 803	2 277	2 988	3 859	3 721	3 979	4 475
Social Inclusion in Higher Education and Training	5 630	4 664	5 247	5 930	5 092	5 459	6 181
Total	21 866	24 697	24 445	29 156	26 004	28 794	31 874
Change to 2009 Budget estimate				1 324	3 834	4 622	6 684

Economic classification

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Current payments	21 115	23 900	23 657	27 967	25 233	28 032	31 016
Compensation of employees	9 447	11 945	14 973	18 282	19 373	20 831	22 889
Goods and services	11 668	11 955	8 684	9 685	5 860	7 201	8 127
<i>of which:</i>							
<i>Administrative fees</i>	119	12	24	12	-	-	-
<i>Advertising</i>	394	662	983	173	7	115	124
<i>Assets less than the capitalisation threshold</i>	151	143	39	26	55	56	56
<i>Catering: Departmental activities</i>	161	62	57	77	73	84	100
<i>Communication</i>	231	261	259	269	276	296	309
<i>Computer services</i>	343	43	85	1 908	263	340	396
<i>Consultants and professional services: Business and advisory services</i>	1	20	77	2 000	1 122	1 676	1 358
<i>Consultants and professional services: Legal costs</i>	297	413	252	463	443	463	484
<i>Contractors</i>	58	160	12	32	16	46	18
<i>Agency and support / outsourced services</i>	1 470	2 344	2 617	621	169	461	1 279
<i>Fleet services (including government motor transport)</i>	87	23	31	65	117	136	132
<i>Inventory: Learner and teacher support material</i>	5	68	24	5	-	-	-
<i>Inventory: Materials and supplies</i>	22	3	1	-	-	-	-
<i>Inventory: Medical supplies</i>	2	-	-	-	-	-	-
<i>Inventory: Other consumables</i>	4	27	-	-	-	-	-
<i>Inventory: Stationery and printing</i>	1 844	298	239	610	439	444	512

Table 16.5 Human Resource Development, Planning and Monitoring Coordination (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments							
Lease payments	229	638	83	5	6	6	6
Property payments	20	10	12	4	-	-	-
Travel and subsistence	3 392	4 541	3 249	2 695	2 456	2 667	2 908
Training and development	-	68	8	11	8	9	9
Operating expenditure	796	671	275	319	233	210	227
Venues and facilities	2 042	1 488	357	390	177	192	209
Transfers and subsidies	517	350	485	960	428	454	477
Provinces and municipalities	2	-	-	-	-	-	-
Departmental agencies and accounts	-	-	17	-	-	-	-
Foreign governments and international organisations	310	350	390	410	428	454	477
Households	205	-	78	550	-	-	-
Payments for capital assets	229	419	281	229	343	308	381
Machinery and equipment	229	397	139	200	338	308	381
Software and other intangible assets	-	22	142	29	5	-	-
Payments for financial assets	5	28	22	-	-	-	-
Total	21 866	24 697	24 445	29 156	26 004	28 794	31 874
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	2	-	-	-	-	-	-
Regional Service Council levies	2	-	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	-	-	17	-	-	-	-
Claims against the state	-	-	17	-	-	-	-
Foreign governments and international organisations							
Current	310	350	390	410	428	454	477
Transfer to India-Brazil-South Africa Trilateral Commission	310	350	390	410	428	454	477
Households							
Social benefits							
Current	205	-	78	550	-	-	-
Employee social benefits	205	-	78	550	-	-	-

Expenditure trends

Expenditure increased at an average annual rate of 10.1 per cent, from R21.9 million in 2006/07 to R29.2 million in 2009/10 due to the hiring of additional personnel to provide capacity to the *Human Resource Development, Strategic Planning and Monitoring Coordination* and *Planning, Information, Monitoring and Evaluation Coordination* subprogrammes. Expenditure is expected to increase at a slower average annual rate of 3 per cent over the medium term to reach R31.9 million in 2012/13.

The fluctuating trend in expenditure in the *International Relations* subprogramme over the 7-year period is due to the number of international events attended or hosted by the minister in particular years. The impact of the varying number of international events on expenditure is also reflected in expenditure on goods and services, which decreased from R11.7 million in 2006/07 to R8.7 million in 2008/09 mainly as a result of the hosting of the Conference of Commonwealth Education Ministers in December 2006 and the third Conference of African Ministers of Education in August 2007.

Programme 3: University Education

- *University - Academic Planning and Management* plans and monitors the university sub-system through analysing institutional and national plans and by ensuring the maintenance of programmes and qualification mixes. Funding is mainly used for transfers to the National Student Financial Aid Scheme, the Council on Higher Education, the South African Qualifications Authority and special projects supporting the strategic plan of the department.
- *University - Financial Planning and Information Systems* coordinates and manages the development and maintenance of universities' information systems and an appropriate funding framework for a diverse university sub-system. Funding is mainly used for projects, compensation of employees and other personnel related costs.
- *University - Policy and Development* registers private universities and provides governance support, responds to public queries and monitors transformation, including through liaising with stakeholders in the university sub-system. Funding is mainly used for projects, compensation of employees and other personnel related costs.
- *Teacher Education* develops a responsive and comprehensive national teacher education and development system as a sub-system of the higher education and training system. It develops and maintains academic policy for teacher education qualifications, in line with the higher education qualifications framework, monitors institutions for adherence to policy, and supports policy implementation to ensure relevant curricula and a sufficient supply of well qualified teachers for all education sub-systems. Funding is mainly used for compensation of employees and other personnel related costs.
- *University - Subsidies* transfers payments to universities. Funding is mainly used for unconditional block grant transfers, which are divided among the 23 universities and are based on research outputs, teaching inputs and outputs and contextual factors like the number of disadvantaged students enrolled at the institution.

Objectives and measures

- Improve the performance and output of the university sub-system through targeted interventions (such as earmarked grants for teaching and research development, infrastructure and foundation programmes, and enrolment planning) and ongoing monitoring and evaluation over the medium term. The allocation of these grants will be based on progress reports in these areas in relation to approved project plans submitted by institutions.
- Improve the teaching and research outputs of the university sub-system through targeted interventions (such as earmarked grants for teaching and research development, infrastructure, and foundation programmes) for specific teaching and research needs over the medium term.
- Improve the governance of universities through ongoing support to university councils and other university constituencies and the ongoing monitoring and evaluation of annual reports, policies, statutes and student charters each year.
- Extend and improve university education to meet high level human resources needs and promote research and knowledge generation by monitoring and evaluating student enrolments relative to the annual enrolment targets set by the minister.
- Improve access to university education opportunities by coordinating the programmes of the national institutes for higher education in Mpumalanga and Northern Cape.
- Promote access to and support for teacher education institutions to ensure that more and better qualified teachers are provided, in line with national needs by:
 - increasing the number of institutions offering foundation phase teacher education from 13 to 18
 - increasing the intake of foundation phase teacher education students by 10 per cent each year
 - using the Funza Lushaka bursary scheme to attract academically able student teachers in national priority areas like maths, science and the foundation phase.

Service delivery focus

Year on year cohort studies of higher education students that were completed for 2004, 2005 and 2006 found that many students do not complete their studies with the average percentage of returning students at just 60 per cent. Full cohort studies over 5 years for undergraduate students on 3-year programmes will be finalised in 2011. The outcome of this process will inform the next enrolment planning cycle from 2011 to 2013. A draft teaching development policy was submitted to the minister in 2009 and the research development policy will be finalised in 2010. Both policies are aimed at improving teaching and learning at institutions, and providing funds to assist targeted interventions for improving research output.

The institutional statutes and student representative council constitutions of 3 universities were revised and reformulated in 2009/10 in accordance with the Higher Education Act (1997). In 2009, conferences, workshops and student representative council training sessions were hosted to support student participation in policy development. A charter on student rights and responsibilities was adopted at the 2009 South African Union of Students conference. The departmental programme on democracy development, civic education and the professional management of student representative council elections was implemented in 2009. Partnerships were established in 2009 with the National Youth Development Agency, SABC Education, and the Electoral Commission with a view to supporting student leadership at institutions to ensure that elections are democratic.

The department monitors the enrolment and success rate of students in science and technology, where enrolment is currently at 28 per cent of total enrolment against the targeted 30 per cent. There was an average annual increase of 6.1 per cent in the number of science and technology graduates between 2000 and 2008. Earmarked funds have been provided to universities for infrastructure development and academic efficiency since 2008/09, in part to increase the enrolment and output in scarce and critical skills areas.

The National Student Financial Aid Scheme was able to provide financial aid to more students (from 108 000 in 2006 to 130 000 in 2009). In May 2009, the ministerial committee was appointed to review the efficacy of the scheme and student financial aid submitted its report to the minister in January 2010, which will be released for public comment in March 2010. National institutes for higher education in Mpumalanga and Northern Cape are coordinating the delivery of programmes by universities in those provinces.

A policy development team was established in mid-2009 to revise existing policy on teacher education and align it with the higher education qualifications framework. New qualification types for initial professional education and training, and formal continuous professional teacher development have been selected from the framework and customised for school based teacher education. A draft policy document was developed in 2009 and will be finalised jointly with the Department of Basic Education in 2010/11.

Expenditure estimates

Table 16.6 University Education

Subprogramme	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R thousand							
University - Academic Planning and Management	996 018	1 286 058	1 598 675	1 834 489	1 998 175	2 357 959	2 535 482
University - Financial Planning and Information Systems	2 095	2 545	1 966	3 697	6 861	7 320	7 346
<i>University - Financial Planning and Information Systems</i>	-	-	-	-	1 730	1 864	1 735
<i>University - Financial and Physical Planning</i>	-	-	-	-	2 575	2 728	2 819
<i>University - Management and Information Systems</i>	2 095	2 545	1 966	3 697	2 556	2 728	2 792
University - Policy and Development	7 069	8 484	10 538	12 490	11 220	12 045	11 470
Teacher Education	912	359	1 126	1 223	1 692	1 805	1 997
<i>Teacher Education</i>	-	-	-	-	456	489	552
<i>Continuing Professional Teacher Development</i>	-	-	-	-	618	658	729
<i>Initial Teacher Education</i>	912	359	1 126	1 223	618	658	716
University Subsidies	10 985 688	11 941 539	13 797 403	15 297 196	17 516 740	19 302 723	20 652 860
Total	11 991 782	13 238 985	15 409 708	17 149 095	19 534 688	21 681 852	23 209 155
Change to 2009 Budget estimate				(350 303)	42 404	348 442	809 162

Table 16.6 University Education (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	17 610	19 517	21 004	26 214	30 785	34 354	34 799
Compensation of employees	12 907	13 560	14 773	18 428	22 889	24 609	24 149
Goods and services	4 703	5 957	6 231	7 786	7 896	9 745	10 650
<i>of which:</i>							
Administrative fees	1	2	–	–	37	40	43
Advertising	395	416	1 011	452	418	320	123
Assets less than the capitalisation threshold	157	92	55	19	43	45	69
Audit cost: External	–	–	–	–	–	–	1
Bursaries: Employees	–	–	11	–	–	–	–
Catering: Departmental activities	36	51	46	39	80	92	90
Communication	262	240	230	297	386	399	327
Computer services	363	3	62	1 250	274	385	544
Consultants and professional services: Business and advisory services	–	2	304	1 256	1 908	2 702	3 177
Contractors	8	89	4	23	2	2	50
Agency and support / outsourced services	469	1 227	765	–	1 066	1 542	1 894
Fleet services (including government motor transport)	100	40	27	27	85	108	104
Inventory: Learner and teacher support material	4	2	–	2	–	–	–
Inventory: Materials and supplies	21	–	1	–	–	–	–
Inventory: Other consumables	7	16	1	–	–	–	–
Inventory: Stationery and printing	268	182	165	548	360	401	355
Lease payments	90	21	27	62	70	72	341
Property payments	2	11	17	22	7	7	8
Travel and subsistence	1 835	2 603	3 203	2 973	2 547	3 021	3 028
Training and development	–	–	8	32	10	12	10
Operating expenditure	544	691	69	171	296	313	173
Venues and facilities	141	269	225	613	307	284	313
Transfers and subsidies	11 973 970	13 219 224	15 388 552	17 122 636	19 503 480	21 647 016	23 173 818
Provinces and municipalities	10	–	–	–	–	–	–
Departmental agencies and accounts	988 271	1 277 685	1 591 149	1 825 409	1 986 740	2 344 293	2 520 958
Universities and technikons	10 985 688	11 941 539	13 797 403	15 297 196	17 516 740	19 302 723	20 652 860
Households	1	–	–	31	–	–	–
Payments for capital assets	198	244	147	245	423	482	538
Machinery and equipment	198	244	143	245	423	482	538
Software and other intangible assets	–	–	4	–	–	–	–
Payments for financial assets	4	–	5	–	–	–	–
Total	11 991 782	13 238 985	15 409 708	17 149 095	19 534 688	21 681 852	23 209 155
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	10	–	–	–	–	–	–
Regional Service Council levies	10	–	–	–	–	–	–

Table 16.6 University Education (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	988 271	1 277 685	1 591 149	1 825 409	1 986 740	2 344 293	2 520 958
National Student Financial Aid Scheme	926 378	1 212 697	1 522 375	1 744 668	1 909 359	2 260 859	2 431 502
Council on Higher Education	27 902	29 297	31 208	41 661	36 046	39 619	43 450
South African Qualifications Authority	33 991	35 691	37 566	39 080	41 335	43 815	46 006
Universities and technikons							
Current	10 895 152	11 864 016	13 742 647	15 260 196	17 484 740	19 276 723	20 630 860
University subsidies	10 895 152	11 864 016	13 742 647	15 260 196	17 484 740	19 276 723	20 630 860
Capital	90 536	77 523	54 756	37 000	32 000	26 000	22 000
University subsidies	90 536	77 523	54 756	37 000	32 000	26 000	22 000
Households							
Social benefits							
Current	1	-	-	31	-	-	-
Employee social benefits	1	-	-	31	-	-	-

Expenditure trends

Expenditure grew from R12 billion in 2006/07 to R17.1 billion in 2009/10, at an average annual rate of 12.7 per cent, and is expected to increase at an average annual rate of 10.6 per cent over the medium term to reach R23.2 billion. Transfer payments to higher education institutions are the programme's largest spending item. They are expected to increase at an average annual rate of 10.5 per cent over the MTEF period. The increase of 15.5 per cent in expenditure on the *University Subsidies* subprogramme in 2008/09 was due to additional allocations for subsidies to higher education institutions. The increased transfers will support the renewal of infrastructure and academic programmes in institutions to improve their graduate outputs, particularly in scarce and critical skills domains such as engineering, and other science and technology fields, and the efficiency and quality of their teaching services.

Expenditure in the *University - Financial Planning and Information Systems* subprogramme is expected to grow by 25.4 per cent over the MTEF period, due to the expansion of support to universities and other related activities over the medium term. This also accounts for the increased projected expenditure on consultants from R1.3 million in 2009/10 to R3.2 million in 2012/13.

Over the MTEF period, an average of 10.2 per cent of programme expenditure is for transfers to the National Student Financial Aid Scheme.

The increases in capital expenditure of 66.7 per cent in 2009/10 and 72.7 per cent in 2010/11 are mainly for equipment required for the establishment of the new department.

Public entities

National Student Financial Aid Scheme

Strategic overview: 2006/07 – 2012/13

The National Student Financial Aid Scheme, established in terms of the National Student Financial Aid Scheme Act (1999), is responsible for administering and allocating loans and bursaries to eligible students, developing criteria and conditions for granting loans and bursaries in consultation with the minister, raising funds, recovering loans, maintaining and analysing a database, and undertaking research for the better use of financial resources. The National Student Financial Aid Scheme also advises the minister on student financial aid in general, and performs other functions assigned to it by the minister.

The Minister of Higher Education and Training is awaiting the outcome of the review of the scheme, which will inform policy and strategic direction in the period ahead.

Savings and cost effective service delivery

Following a board decision to set the interest rate on outstanding debtor accounts on 1 April each year, the mailing of debtor account statements is no longer dependent on changes in the interest rate and it has become possible to limit the number of statement runs to once a quarter. Other smaller savings have been realised through stricter controls on travel costs, and an electronic loan agreement form is being piloted, which will reduce printing, courier and data capturing costs.

Selected performance indicators

Table 16.7 National Student Financial Aid Scheme

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of students assisted in higher education per year ¹	108 416	113 616	118 450	130 000	140 000	150 000	165 000
Pass rate (number of courses passed by loan recipients) ²	73%	75%	77%	76%	75%	75%	75%
Funds recovered from previous loan recipients per year	R390 million	R479 million	R555 million	R526 million	R560 million	R578 million	R632 million
Total number of Funza Lushaka bursary recipients ³	–	–	5 189	8 542	9 240	9 795	10 380
Total number of further education and training bursary recipients	–	12 283	35 355	30 920	54 060	57 300	60 730

1. Recipients of awards from all sources of funding

2. The National Student financial Aid Scheme's pass rate is a reported figure from each higher education institution, which provides a breakdown of the number of courses a student enrolled for in a particular year, and the number of courses passed in that year. It does not provide an indication of progression and does not correlate with progression rates, as students may pass more than 50 per cent of their courses but these may not necessarily be credit bearing, weighted or major courses that contribute to progression to the next academic year.

3. Bursaries for students studying to become teachers

Service delivery focus

The number of students assisted with National Student Financial Aid Scheme funding increased by 6.3 per cent, from 106 852 in 2005/06 to 113 616 in 2007/08. There were 107 900 beneficiaries in the 2008 academic year.

Funds recovered from the repayment of loans increased from R329 million in 2005/06 to R479 million in 2007/08 and to R555 million in 2008/09 as the scheme improved its debt recovery and collection strategy.

In its outreach and advocacy efforts, the scheme uses various media to raise awareness about its services. These include distributing pamphlets and posters to schools, further education and training colleges and universities, and print and broadcast media campaigns in 2008 and 2009. Another key outreach platform is career exhibitions hosted by universities, where partnerships with the event organisers have been critical. The scheme is also undertaking a research project in 2010 aimed at reviewing the effectiveness of the non-government organisation partnership model as a way of creating awareness in schools and communities.

Expenditure estimates

Table 16.8 National Student Financial Aid Scheme: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Student Bursaries - HEI's	407 764	612 415	855 708	1 367 163	1 339 591	1 641 494	1 757 298
Student Bursaries - FET Colleges	–	65 340	218 971	300 000	318 000	337 080	353 934
Other programmes	34 474	263 268	356 893	506 510	623 084	319 875	737 676
Total expense	442 238	941 023	1 431 572	2 173 673	2 280 675	2 298 448	2 848 908

Table 16.9 National Student Financial Aid Scheme: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	332 126	411 242	590 116	643 400	709 727	780 688	858 482
<i>Interest on investments and student loans</i>	332 126	411 242	590 116	643 400	709 727	780 688	858 482
Transfers received	1 153 254	1 507 267	1 969 532	2 501 481	2 710 802	3 091 309	3 245 907
Total revenue	1 485 380	1 918 509	2 559 648	3 144 881	3 420 529	3 871 997	4 104 389
Expenses							
Current expense	34 474	263 268	356 893	386 519	414 491	80 107	462 511
Compensation of employees	10 838	13 111	16 683	19 598	26 806	30 099	33 106
Goods and services	22 333	250 794	339 249	369 293	389 941	53 247	431 976
Depreciation	1 303	(637)	961	(2 371)	(2 256)	(3 238)	(2 571)
Transfers and subsidies	407 764	677 755	1 074 679	1 787 154	1 866 184	2 218 341	2 386 397
Total expenses	442 238	941 023	1 431 572	2 173 673	2 280 675	2 298 448	2 848 908
Surplus / (Deficit)	1 043 142	977 486	1 128 076	971 208	1 139 854	1 573 549	1 255 481

Expenditure trends

Transfers from the Department of Higher Education and Training to the National Student Financial Aid Scheme are expected to be R1.9 billion in 2010/11, R2.3 billion in 2011/12 and R2.4 billion in 2012/13. These transfers include allocations for further education and training college bursaries (R318 million, R337.1 million and R353.9 million) and transfers from the Department of Basic Education for the Funza Lushaka bursaries (R424 million, R449.4 million, R471.9 million).

Total expenditure grew at an average annual rate of 70 per cent, from R442.2 million in 2006/07 to R2.2 billion in 2009/10, mainly due to the allocation of additional funds for student financial aid and bursaries. Over the medium term, expenditure is expected to increase at an average annual rate of 9.4 per cent to reach R2.8 billion in 2012/13, most of which is for student financial aid and bursaries. The increase in expenditure in goods and services from R22.3 million in 2006/07 to R251.5 million in 2007/08 was due mainly to no provision having been made for doubtful debt as well as a significant increase in irrecoverable debts in 2006/07. From 2007/08, the National Student Financial Aid Scheme started to improve its debt collection methods, which meant a reduction in irrecoverable debts.

The surplus reflected for each year is as a result of donor funds received at the beginning of the academic year for student financial aid. These funds are disbursed during the academic year, which extends into the new financial year, thus contributing to the surplus. The surplus is also a result of recovered funds from loan repayments and interest received. These funds are allocated in the following year as there is no certainty on the amount that will be recovered from previous loanees in a given year.

Council on Higher Education

Strategic overview: 2006/07 – 2012/13

The Council on Higher Education was established in terms of the Higher Education Act (1997). The Higher Education Amendment Act (2008) and the National Qualifications Act (2009) denote a significant change for the council which was previously an advisory institution, monitoring and evaluating the achievement of South African higher education policy goals and objectives, but which will now also function as a quality council for higher education.

In order to ensure that quality higher education is delivered, the council's priorities over the medium term will be: advising the minister; implementing the higher education qualifications framework by generating and setting standards and other quality assurance functions, through the Higher Education Qualifications Council; monitoring and evaluating the achievement of South African higher education policy goals and objectives, and contributing to the development of higher education.

Savings and cost effective service delivery

The expanded mandate of the Council on Higher Education and the purchase of its own building in 2008/09 virtually exhausted the council's surplus funds and forced it to reduce expenditure on non-core goods and services items. The council is also reviewing its current policy on recovering costs for accrediting programmes, particularly from private providers. It is envisaged that this will increase income over the MTEF period.

Selected performance indicators

Table 16.10 Council on Higher Education

Indicator	Programme/ Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of publications published per year	Advice and Monitoring	7	4	4	4	4	4	4
Number of institutional audits conducted per year	Institutional Audits	3	4	5	2	2	3	3
Number of new programmes assessed per year	Accreditation and National Reviews	158	201	130	130	110	110	110
Number of Higher Education Qualification Framework aligned programmes assessed per year	Accreditation and National Reviews	-	-	34	-	1 150	1 150	1 150

Service delivery focus

The advice and monitoring function of the council will increase over the medium term to address the challenges in higher education and training more efficiently. Critical focus areas will include student access and success, funding and accountability, the contribution of higher education to development, staffing in higher education, and differentiation across the sub-system. The generation and setting of standards is a new function and the council will start establishing the infrastructure for this function in 2010. The first year will largely involve extensive consultation with professional bodies, the higher education sub-system, the quality councils and the South African Qualifications Authority. Quality assurance and quality promotion activities will continue over the next 3 years. In 2010/11, the council's work will be focused on concluding a number of activities in the current quality cycle and, simultaneously, developing a new framework to undertake a second cycle of quality assurance for the higher education system.

Expenditure estimates

Table 16.11 Council on Higher Education: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Advice and Monitoring	6 133	3 738	4 216	4 216	4 806	5 215	5 545
Institutional Audits	3 683	4 195	2 558	3 499	5 893	5 185	5 924
Accreditation and National Reviews	6 151	8 770	3 682	5 131	5 480	5 860	6 230
Quality Promotion and Capacity Development	4 931	4 876	2 881	6 132	5 983	6 384	6 204
Coordination and Stakeholder Affairs	973	1 262	1 851	-	-	-	-
Other programmes	8 734	10 820	17 244	21 508	19 861	22 760	24 636
Total expense	30 605	33 661	32 432	40 486	42 023	45 404	48 539

Table 16.12 Council on Higher Education: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	6 870	4 421	4 133	2 550	2 588	2 968	3 186
Sale of goods and services other than capital assets <i>of which:</i>	785	1 424	966	1 900	2 024	2 150	2 258
<i>Accreditation fees</i>	785	1 424	966	1 900	2 024	2 150	2 258
<i>Other non-tax revenue</i>	6 085	2 997	3 167	650	564	818	928
Transfers received	30 531	30 545	32 071	46 771	39 435	42 436	45 353
Total revenue	37 401	34 966	36 204	49 321	42 023	45 404	48 539
Expenses							
Current expense	30 605	33 661	32 432	40 321	42 023	45 404	48 539
Compensation of employees	12 899	12 314	13 304	17 781	20 015	21 551	23 531
Goods and services	17 036	20 588	18 056	20 817	20 330	22 195	23 330
Depreciation	614	699	842	1 523	1 458	1 413	1 418
Interest, dividends and rent on land	56	60	230	200	220	245	260
Transfers and subsidies	-	-	-	165	-	-	-
Total expenses	30 605	33 661	32 432	40 486	42 023	45 404	48 539
Surplus / (Deficit)	6 796	1 305	3 772	8 835	-	-	-

Expenditure trends

The Council on Higher Education receives most of its revenue as transfers from the Department of Higher Education and Training, and over the medium term will receive R36 million, R39.6 million and R43.5 million. Additional revenue is received for providing accreditation to private higher education institutions, from donors, interest on investments and venue hire. Total revenue decreased in 2007/08 by 6.5 per cent, mainly due to the decrease in donor funding from 2007/08 onwards. Fewer applications for accreditation from private institutions have resulted in a drop in sales of goods and services. Applications are expected to increase once this function is fully operational. This is reflected in the projected increase in sales of goods and services over the medium term at an average annual rate of 5.9 per cent.

Total expenditure grew at an average annual rate of 9.8 per cent between 2006/07 and 2009/10, mainly due to the preparations for the additional functions assigned to the council, including the appointment of additional capacity, which accounts for the 33.7 per cent growth in compensation of employees in 2009/10. The council's expenditure is projected to grow by an average annual rate of 6.2 per cent over the MTEF period.

The generation and setting of standards is a new function which will be carried out over the medium term and the council will start establishing the infrastructure for this function in 2010. In addition, the council will continue to advise the minister on higher education policy matters to ensure the quality provision of higher education.

South African Qualifications Authority

Strategic overview: 2006/07 – 2012/13

The South African Qualifications Authority is a statutory body originally set up in terms of the South African Qualifications Authority Act (1995) and is well recognised nationally and internationally. From 1 April 2009, the authority has been in existence under the National Qualifications Framework Act (2008), which has replaced the previous act. Under the new legislation, the South African Qualifications Authority will continue to focus on upholding the principles of the national qualifications framework, including ensuring access, quality, redress and development for all learners, through an integrated national framework of learning achievements. Umalusi and the Council on Higher Education will take over the responsibility for standards generation and the management of qualifications in their sectors. The Department of Labour will establish a new quality council for trades and occupations to oversee the trades and occupations sector.

The authority's main deliverables will be: the registration of qualifications and part-qualifications on the national qualifications framework; maintaining and developing the national learners' records database as the key national source of information for human resource and skills development in policy, infrastructure and planning; maintaining and developing the authority's role as the national source of advice on foreign and domestic learning and qualifications; conducting research; monitoring and undertaking evaluation studies that contribute to the national qualifications framework and a culture of lifelong learning; and the registration of professional bodies and professional designations on the national qualifications framework.

Savings and cost effective service delivery

The South African Qualifications Authority put the following measures in place in 2009/10 for the MTEF period: better scheduling of meetings so that the authority's own premises can be used for more meetings; less use of external consultants to provide services to the authority; reduced staff travel and subsistence costs; and monitoring and control of telephone costs.

Selected performance indicators

Table 16.13 South African Qualifications Authority

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of qualifications received for evaluation per year	Foreign Qualifications: Evaluation and Advisory Services programme	14 382	29 849	29 347	24 000	26 000	27 000	26 000
Number of new qualifications registered on the national qualifications framework and recorded on the national learners records database per year	Standards Setting and Quality Assurance and National Learners Records Database programmes	126	118	140	91	*	*	*
Number of new unit standards registered on the national qualifications framework and recorded on the national learners records database per year	Standards Setting and Quality Assurance and National Learners Records Database programmes	401	713	641	910	*	*	*

*The South African Qualifications Authority cannot provide projections beyond 2009/10 as these functions will be taken over by the quality councils in the new national qualifications framework dispensation.

Service delivery focus

In 2008/09, the organisation received its 12th unqualified audit report from the auditor-general. It has proactively engaged with its key partners in 2008 and 2009 to ensure a smooth transition to the new qualifications landscape. Achievements in 2008/09 include increasing the efficiency of the service for evaluating foreign qualifications to deal with an increased demand in the agreed timeframes, evaluating the performance of education and training quality assurers in preparation for the new system, recognising the national learners' records database as the possible national data set on skills, making important information on trends in higher education available to decision makers, and integrating a number of South African Qualifications Authority's IT systems for greater efficiency and effectiveness. The organisation has also maintained an effective performance management and development system for all staff, including the implementation of broad banding. In 2010, the organisation will initiate and drive a clear and coordinated communication strategy to assist providers, learners and the public in understanding the new qualifications architecture and its implications. A national qualifications framework helpline and advice centre was set up in 2009 to deal with queries about this.

Expenditure estimates

Table 16.14 South African Qualifications Authority: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration and Support	30 333	32 052	32 754	42 002	39 433	42 034	44 809
National Standards Setting and Development	15 064	15 517	15 630	6 559	6 387	6 738	7 075
National Quality Assurance and Development	3 464	3 241	2 933	-	-	-	-
National Learners Records Database	3 321	3 643	3 634	6 298	6 674	7 048	7 400
Foreign Qualifications Evaluation and Advisory Services	4 873	7 999	10 957	12 134	12 862	13 582	14 125
Other programmes	3 035	2 026	2 562	3 626	4 504	750	405
Total expense	60 090	64 478	68 470	70 619	69 860	70 152	73 814

Table 16.15 South African Qualifications Authority: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	12 958	20 211	23 078	25 892	24 675	24 080	23 725
Sale of goods and services other than capital assets <i>of which:</i>	8 876	15 955	17 152	16 900	18 500	20 150	19 200
<i>Evaluation of Foreign Qualifications</i>	7 490	14 196	15 663	15 500	17 000	18 000	17 500
<i>Sales by market establishments</i>	1 386	1 759	1 489	1 400	1 500	2 150	1 700
<i>Other non-tax revenue</i>	4 082	4 256	5 926	8 992	6 175	3 930	4 525
Transfers received	50 759	42 906	47 337	45 791	45 185	45 895	48 206
Total revenue	63 717	63 117	70 415	71 683	69 860	69 975	71 931
Expenses							
Current expense	60 090	64 478	68 470	70 619	69 860	70 152	73 814
Compensation of employees	24 465	27 064	29 972	36 676	39 353	41 607	43 784
Goods and services	29 329	32 404	33 069	28 967	25 754	25 875	27 405
Depreciation	6 296	5 010	5 429	4 976	4 753	2 670	2 625
Total expenses	60 090	64 478	68 470	70 619	69 860	70 152	73 814
Surplus / (Deficit)	3 627	(1 361)	1 945	1 064	(0)	(177)	(1 883)

Expenditure trends

The South African Qualifications Authority receives transfers of R41.3 million, R43.8 million and R46 million from the Department of Higher Education and Training over the MTEF period. Other revenue comprises donor funds, fees for processing private higher education institutions' applications, and interest on investments. Total revenue grew from R63.7 million in 2006/07 to R71.7 million in 2009/10, at an average annual rate of 4 per cent, and is expected to increase to R71.9 million over the medium term, at an average annual rate of 0.1 per cent.

The South African Qualifications Authority was reluctant to embark on new projects in 2005/06 while awaiting the outcome of the National Quality Forum review. Some of these deferred projects were carried out in 2006/07 and 2007/08, which led to the deficit in 2007/08. The deficits reflected in 2011/12 and 2012/13 are mainly due to the planned construction of a parking garage and repairs to the west arcade of the South African Qualifications Authority building. These deficits will be offset by the authority's accumulated surplus.

Programme 4: Vocational and Continuing Education and Training

- *Planning and Institutional Support* provides the framework, coordination and support to further education and training colleges for the efficient and effective management, governance and delivery of vocational and occupational programmes, and manages the further education and training colleges conditional grant to provinces. It also regulates the provision of education and training by private education institutions offering qualifications in the further education and training band of the national qualifications framework. Funding consists mainly of transfers to the 50 further education and training colleges for their operational expenditure.
- *Programmes and Qualifications* develops and maintains high quality vocational education and training programmes, provides for implementing the student support services framework, and provides leadership and support for training and developing lecturers to ensure quality delivery of programmes in colleges. In addition it supports the education of post-school adults pursuing general education and training certificates and the national senior certificate qualifications. Funding is mainly used for compensation of employees and related personnel costs.

Objectives and measures

- Ensure the continued relevance of further education and training college programmes by supporting the development of a diverse range of high quality and responsive vocational education and training qualifications and programmes over the MTEF period through consultation with relevant role players.
- Improve the quality of the delivery of programmes at further education and training colleges by providing leadership in the training and support of lecturers over the MTEF period.
- Ensure quality provision of education and training programmes and qualifications by private education institutions by regulating the provision of programmes offered by these institutions in 2009/10.
- Increase the youth and adult participation, retention and throughput rates in the vocational and occupational programmes by initiating and supporting interventions that address these issues in the next three years.
- Improve the linkages between colleges, industry and universities of technology by facilitating and supporting partnerships between them over the medium term.

Service delivery focus

The department is responsible for post-literacy adult education and training to form part of the single national post-school education and training system. The report of a committee established to review adult education and training, tabled for the minister's consideration in 2008, accepted that adult education and training required restructuring. A steering committee was then established to oversee the process of developing an alternative national senior certificate for candidates out of school. A draft qualification document was developed and working groups have been established to develop the curriculum for these candidates over the MTEF period.

Work over the medium term will focus on implementing the recommendations of the ministerial committee, including: revising the curriculum and qualifications at adult basic education and training level 4; developing appropriate learning support materials; and developing a costing model for the delivering of adult education and training programmes while considering potential synergies of this sub-system's location in the Department of Higher Education and Training.

In 2008 and 2009, further education and training colleges were supported to implement the first phase of the student support services framework, including development and training on the student support services manual, which is aimed at facilitating the framework's implementation. All colleges were provided with mathematics and mathematical literacy workbooks and computers as support materials. Colleges were trained on the administration and management of the further education and training college bursary scheme, enabling them to award bursaries to 50 per cent of students who enrolled in national certificate (vocational) programmes. Profiling colleges and college programmes was done through developing and distributing a guide to opportunities for further learning and placing advertorials in national and local newspapers. In the medium term, the department will focus on sustaining interventions for increasing access and retaining college staff, and improving the quality of courses and throughput of students. 14 high quality and responsive national certificate (vocational) programmes are offered and supported in colleges. To enhance the quality of delivery, textbooks are screened and catalogues of approved textbooks are generated for the 3 levels of subjects. To support teaching and learning and improve student performances, additional training was delivered to lecturers offering new programmes, mathematics and mathematical literacy, physical science, and assessment tasks in 2009.

257 private further education and training colleges were registered in 2009 and a monitoring and compliance report on provisionally registered private colleges was finalised. In 2009, 5 information sharing meetings were held to brief the private colleges about developments in and changes to the educational landscape and their implications, and included distributing updated information booklets on frequently asked questions about the registration of private further education and training colleges.

Over the past 5 years, the adult basic education and training system has reached 200 000 adult learners. In 2008, 1 484 learners achieved the full general education and training certificate qualification for adult learners and 41 866 achieved learning area certificates.

Expenditure estimates

Table 16.16 Vocational and Continuing Education and Training

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Planning and Institutional Support	2 025 605	2 459 237	3 015 648	3 179 168	3 787 149	3 988 930	4 185 942
Programmes and Qualifications	75 140	84 170	94 672	81 063	104 034	111 453	119 829
Total	2 100 745	2 543 407	3 110 320	3 260 231	3 891 183	4 100 383	4 305 771
Change to 2009 Budget estimate				3 133 541	3 734 855	3 935 262	4 131 839
Economic classification							
Current payments	119 657	98 855	103 976	91 181	118 113	127 883	136 289
Compensation of employees	43 775	46 589	61 446	62 307	74 554	80 367	85 071
Goods and services	75 882	52 266	42 530	28 874	43 559	47 516	51 218
<i>of which:</i>							
<i>Administrative fees</i>	339	188	17	37	6	7	6
<i>Advertising</i>	1 681	540	378	437	442	429	328
<i>Assets less than the capitalisation threshold</i>	431	268	79	187	92	95	95
<i>Catering: Departmental activities</i>	272	206	456	452	363	391	403
<i>Communication</i>	1 100	1 250	1 267	1 099	1 020	1 061	1 136
<i>Computer services</i>	15 670	16 003	5 592	6 533	7 872	8 434	8 720
<i>Consultants and professional services: Business and advisory services</i>	279	-	221	369	1 692	2 477	3 005
<i>Contractors</i>	328	1 697	38	44	25	26	22
<i>Agency and support / outsourced services</i>	22 457	6 913	2 453	2 000	1 113	1 540	1 828
<i>Entertainment</i>	-	-	-	-	-	-	10
<i>Fleet services (including government motor transport)</i>	278	132	129	83	136	165	176
<i>Inventory: Learner and teacher support material</i>	-	22	2	225	332	339	384
<i>Inventory: Materials and supplies</i>	24	-	15	-	-	-	-
<i>Inventory: Other consumables</i>	26	39	17	4	6	6	6
<i>Inventory: Stationery and printing</i>	2 820	2 367	3 239	2 008	2 958	3 023	3 424
<i>Lease payments</i>	2 790	2 874	2 867	2 846	2 688	2 765	2 842
<i>Property payments</i>	228	6	24	18	10	11	12
<i>Travel and subsistence</i>	14 792	14 324	17 640	8 328	21 635	23 361	25 086
<i>Training and development</i>	3 833	1	425	-	25	31	36
<i>Operating expenditure</i>	5 316	5 095	5 141	2 927	965	1 055	1 216
<i>Venues and facilities</i>	3 218	341	2 530	1 277	2 179	2 300	2 483
Transfers and subsidies	1 974 613	2 435 818	3 005 860	3 168 352	3 772 661	3 971 989	4 169 088
Provinces and municipalities	1 973 773	2 435 281	3 005 826	3 168 340	3 772 661	3 971 989	4 169 088
Departmental agencies and accounts	1	-	6	-	-	-	-
Households	839	537	28	12	-	-	-
Payments for capital assets	638	760	408	698	409	511	394
Machinery and equipment	638	759	377	668	409	511	394
Software and other intangible assets	-	1	31	30	-	-	-
Payments for financial assets	5 837	7 974	76	-	-	-	-
Total	2 100 745	2 543 407	3 110 320	3 260 231	3 891 183	4 100 383	4 305 771

Table 16.16 Vocational and Continuing Education and Training (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	1 973 744	2 435 281	3 005 826	3 168 340	3 772 661	3 971 989	4 169 088
Further Education and Training College Sector Recapitalisation Grant	470 000	631 090	795 170	-	-	-	-
Further Education and Training Colleges Grant	1 503 744	1 804 191	2 210 656	3 168 340	3 772 661	3 971 989	4 169 088
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	29	-	-	-	-	-	-
Regional Service Council levies	29	-	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	1	-	6	-	-	-	-
Claims against the state	1	-	6	-	-	-	-
Households							
Social benefits							
Current	839	537	28	12	-	-	-
Employee social benefits	839	537	28	12	-	-	-

Expenditure trends

Expenditure increased at an average annual rate of 15.8 per cent, from R2.1 billion in 2006/07 to R3.3 billion in 2009/10. Expenditure is expected to increase over the medium term, at an average annual rate of 9.7 per cent, to reach R4.3 billion. This is due to the introduction of the further education and training colleges conditional grant to facilitate the shift of responsibility for colleges from the provinces to the national department. This is reflected in the average annual increase of 9.6 per cent in the *Planning and Institutional Support* subprogramme over the medium term, and in the 50.9 per cent increase in projected expenditure on goods and services in 2010/11, mainly to carry out the necessary oversight required for the conditional grant.

The expenditure on the *Programmes and Qualifications* subprogramme in 2009/10 is projected to decline by 14.4 per cent because funds were shifted away from examination related activities. This is corrected in 2010/11, when the subprogramme is expected to grow by 28.2 per cent, and is expected to continue to grow to ensure that the department is able to meet its responsibilities for setting up and implementing the national curriculum statement examinations.

Programme 5: Skills Development

- *SETA Coordination* supports, monitors and reports on implementation of the national skills development strategy at sectoral level through establishing and managing the performance of service level agreements with sector education and training authorities. Funding is mainly used for compensation of employees and other personnel related costs.
- *National Skills Development Services* transfers funds to the National Skills Fund and manages projects identified in the national skills development strategy as national priorities and other projects related to achieving the purposes of the Skills Development Act (1998) as determined by the director general of the Department of Higher Education and Training.

- *INDLELA* manages and coordinates national artisan development including monitoring the improvement of artisan trade assessment and moderation, and specialised technical training. Funding is used for compensation of employees and other personnel related costs, to run the institute, and to upgrade equipment.
- *Quality Development and Promotion* coordinates the work of the Quality Council for Trades and Occupations to develop, register and quality assure the implementation of qualifications and standards for occupationally based learning across all sectors of the economy. Funding is mainly used for compensation of employees and other personnel related costs.

Objectives and measures

- Improve skills development by achieving the targets contained in the extended national skills development strategy II in 2010/11.
- Improve skills development planning and matching by securing the adoption of the national skills development strategy III and its alignment with the human resource development strategy for South Africa in 2010/11.
- Achieve the annual targets derived from the national skills development strategy III, once they have been developed, annually from 2011/12 to 2014/15.
- Improve the skill levels of workers by aligning the work of the sector education and training authorities and the national skills framework to the targets contained in the national skills development strategy III.
- Ensure that skills development objectives are achieved by continually monitoring and evaluating the delivery of targets contained in the national skills development strategy II and III.
- Restructure the sector education and training authority landscape over the medium term. to enhance the performance of the authorities.

Service delivery focus

The second phase of the national skills development strategy, from 2005 to 2010, has been extended for an additional year to allow for its alignment with the human resource development strategy for South Africa.

In the first half of 2009/10, 2 207 new workers were trained through workplace skills development support programme grants compared to 2 069 in 2008/09, of which 88 per cent were black and 38 per cent female. In 2008/09, 73 438 unemployed learners of a targeted 40 000 were trained in adult basic education and training learning programmes and in the first half of 2009/10, 55 672 learners were trained against a targeted 40 000. 93 425 learners in these programmes are now enrolled through funding from the National Skills Fund, representing a 93 per cent achievement towards the target of 100 000 learners by March 2010.

Copies of the updated master scarce and critical skills list were distributed in 2008/09 to various stakeholders including sector development facilitators and sector specialists. In 2008/09, 103 296 workers against a target of 56 506 workers were trained in learnerships, apprenticeships and other scarce and critical skills programmes, exceeding the target by 83 per cent. In comparison, from April to September 2009, 53 800 workers were trained in learnerships, apprenticeships and other scarce and critical skills programmes against a target of 36 398. By mid-2009/10, 3 050 learners were placed for experience locally and internationally against a target of 17 817 compared to 13 148 learners placed for experience locally and internationally against a target of 9 088 in 2008/09. In 2008/09, 3 900 young people were trained in new venture creation, of which 68 per cent had sustainable businesses that lasted beyond 12 months.

The third phase of the national skills development strategy will be adopted in 2010 and its targets will steer service delivery from 2011 to 2015. The efficiency and effectiveness of the sector education and training authorities and of the National Skills Fund will be monitored. The sector education training authorities landscape will be reviewed over the medium term to improve their functioning and the outputs they deliver.

Expenditure estimates

Table 16.17 Skills Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
SETA Coordination	58 744	55 875	65 054	74 077	75 995	85 616	89 138
National Skills Development Services	51 510	60 431	63 696	65 911	72 998	82 818	87 262
Quality Development and Promotion	–	798	1 795	13 836	19 285	19 049	17 187
Total	110 254	117 104	130 545	153 824	168 278	187 483	193 587
Change to 2009 Budget estimate				153 824	168 278	187 483	193 587
Economic classification							
Current payments	59 243	69 088	80 391	96 785	108 365	123 303	126 200
Compensation of employees	41 700	46 935	50 093	66 216	72 744	77 688	80 673
Goods and services	17 543	22 153	30 298	30 569	35 621	45 615	45 527
<i>of which:</i>							
<i>Administrative fees</i>	1	499	–	–	257	258	263
<i>Advertising</i>	450	1 052	796	659	650	1 060	1 262
<i>Assets less than the capitalisation threshold</i>	857	893	980	1 145	1 516	2 176	2 376
<i>Audit cost: External</i>	–	–	–	–	254	387	380
<i>Bursaries: Employees</i>	22	5	9	230	200	–	–
<i>Catering: Departmental activities</i>	117	374	343	956	871	851	861
<i>Communication</i>	629	761	869	1 192	1 025	1 085	1 148
<i>Computer services</i>	84	–	7 377	415	10 004	8 683	8 967
<i>Consultants and professional services: Business and advisory services</i>	1	4	469	3 369	4	4	4
<i>Consultants and professional services: Legal costs</i>	–	–	–	949	–	–	–
<i>Contractors</i>	326	446	321	891	2 392	3 697	3 810
<i>Agency and support / outsourced services</i>	277	893	144	1 277	2 268	7 990	6 622
<i>Entertainment</i>	11	28	25	50	–	–	–
<i>Fleet services (including government motor transport)</i>	–	–	–	–	236	236	236
<i>Inventory: Food and food supplies</i>	1 739	1 411	1 720	1 830	693	1 109	1 109
<i>Inventory: Fuel, oil and gas</i>	68	152	135	188	71	114	114
<i>Inventory: Materials and supplies</i>	2 544	4 153	5 333	–	–	–	–
<i>Inventory: Medical supplies</i>	–	–	14	110	42	67	67
<i>Inventory: Other consumables</i>	537	584	670	883	334	535	535
<i>Inventory: Stationery and printing</i>	1 779	1 481	2 083	3 592	1 361	2 176	2 178
<i>Lease payments</i>	514	403	458	3 019	741	696	702
<i>Property payments</i>	1 593	1 071	532	650	2	2	2
<i>Travel and subsistence</i>	3 398	3 444	4 373	3 166	9 073	9 855	10 006
<i>Training and development</i>	1 156	1 884	1 036	1 200	1 310	1 465	1 535
<i>Operating expenditure</i>	99	196	210	1 085	1 599	2 101	2 227
<i>Venues and facilities</i>	1 341	2 419	2 401	3 713	718	1 068	1 123
Transfers and subsidies	42 863	46 024	47 069	48 951	51 731	59 901	62 896
Provinces and municipalities	29	–	–	–	–	–	–
Departmental agencies and accounts	42 666	44 799	46 949	48 951	51 731	59 901	62 896
Households	168	1 225	120	–	–	–	–
Payments for capital assets	8 148	1 992	3 085	8 088	8 182	4 279	4 491
Buildings and other fixed structures	3 318	–	643	3 000	–	–	–
Machinery and equipment	4 830	1 992	2 442	5 088	8 132	4 229	4 441
Software and other intangible assets	–	–	–	–	50	50	50
Total	110 254	117 104	130 545	153 824	168 278	187 483	193 587

Table 16.17 Skills Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	29	-	-	-	-	-	-
Regional Service Council levies	29	-	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	42 666	44 799	46 949	48 951	51 731	59 901	62 896
National Skills Fund	42 666	44 799	46 949	48 951	51 731	59 901	62 896
Households							
Social benefits							
Current	168	1 225	120	-	-	-	-
Resignation packages	168	1 225	120	-	-	-	-

Expenditure trends

Expenditure increased at an average annual rate of 11.7 per cent, from R110.3 million in 2006/07 to R153.8 million in 2009/10. Expenditure is expected to increase to R193.6 million over the medium term, at the slower average annual rate of 8 per cent. Between 2006/07 and 2009/10, spending on compensation of employees grew at an average annual rate of 17.8 per cent due to annual cost of living salary adjustments. Growth over the medium term is expected to average 9.2 per cent annually.

Payments for capital assets increases by 161.3 per cent in 2009/10 due to an allocation for upgrading of buildings and security systems at the Institute for the National Development of Learnerships Employment Skills and Labour Assessments. Goods and services spending is expected to grow by 16.5 per cent from 2009/10 to 2010/11 due to an increase in spending on travel and subsistence, from R3.2 million in 2009/10 to R9.1 million in 2010/11. This is where the funds transferred from the Department of Labour for corporate services functions have been allocated until the department finalises their specific use.

Over the medium term, the department will focus on setting up the Quality Council for Trades and Occupations and realigning this programme with the objectives of the new human resource development strategy for South Africa.

Public entities and other agencies

National Skills Fund

Strategic overview: 2006/07 – 2012/13

The National Skills Fund was established in 1999 in terms of the Skills Development Act (1998). It is funded from 20 per cent of the skills development levies collected by the South African Revenue Service. The fund's key objectives include: promoting employability and sustainable livelihoods; contributing to the development of critical skills; workplace training; and increasing the number of new entrants into the workplace. The National Skills Fund has moved from the Department of Labour to the Department of Higher Education as part of the macro-reorganisation of the state.

Key priorities for the medium term include: improving the rate of disbursement across funded projects; addressing the governance and accountability framework of the fund; accelerating the delivery of critical skills in support of key growth and development strategies such as the provincial growth and development strategies, the human resource development strategy for South Africa; and skills development priorities identified by government and the national skills development strategy.

Selected performance indicators

Table 16.18 National Skills Fund

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of additional unemployed people assisted to enter learning programmes	Critical skills support	41 011	57 570	17 599	9 677	18 400	12 400	12 400
Number of new learners who have completed learning programmes	Critical skills support	12 251	38 008	4 080	9 570	7 360	4 960	11 040
Number of new undergraduate bursaries awarded	Critical skills support	1 148	726	4 869	4 808	2 800	2 800	2 800
Number of new postgraduate bursaries awarded	Critical skills support	1 042	1 120	997	1 088	1 200	1 200	1 200
Number of new adult basic education and training learners registered by the National Skills Fund	Adult basic education and training	46 095	19 987	73 438	55 672	7 500	5 000	5 000
Number of new registered adult basic education and training learners who have completed programme	Adult basic education and training	12 748	0	27 194	15 840	37 500	2 500	2 500
Number of additional unemployed people trained from the skills development funding window	Social development initiatives	118 153	101 924	15169	0	100 000	100 000	100 000
Number of additional trained unemployed people placed in employment	Social development initiatives	90 691	71 054	8 885	0	70 000	70 000	70 000

Service delivery focus

By the end of October 2009, the National Skills Fund had distributed R537 million of the 2009/10 budget to support undergraduate and postgraduate bursaries; and learners through the strategic projects programme.

In 2008/09, the National Skills Fund funded the training of 15 169 unemployed people. Beneficiaries were drawn from key government projects such as the expanded public works programme, Working for Water and other provincial economic initiatives. 8 885 (59 per cent) were placed in projects that allowed them to consolidate skills gained through practical work. Since April 2005, a cumulative total of 338 414 people have been trained through the social development funding window. By March 2010, the National Skills Fund will have met 75 per cent of the national skills development strategy target of training 450 000 unemployed people.

The critical skills support programmes include learnerships, internships, apprenticeships and bursaries implemented primarily with sector education training authorities and provincial governments. In 2008/09, 17 599 learners were enrolled, against a targeted 16 000. Of these, only 4 080 completed programmes due to the nature of the programmes which often take longer than a year to complete. The fund has also funded 4 869 undergraduate bursaries through the National Student Financial Aid Scheme and 997 postgraduate bursaries through the National Research Fund.

The industry support programme benefited 6 156 workers in 2008/09, compared to 3 378 in 2007/08, through training grants under the incentives scheme for new investments and expansion initiatives. Since starting with the workplace skills development support programme training grants in 2005, 10 934 new workers have benefited. A further R60 million in training grants has been approved over a 3-year period and this will benefit 12 440 targeted workers.

The strategic projects programme is an implementation model that allows for the use of integrated projects to achieve goals and targets set for the National Skills Fund in the national skills development strategy. The programmes are implemented primarily in partnership with provincial governments and support their provincial growth and development strategies. In 2008/09, the programme recorded an intake of 41 834 learners in various learning programmes ranging from learnerships, internships, apprenticeships, bursaries and skills programmes. Of these, 31 803 exited the programme after completion.

Expenditure estimates

Table 16.19 National Skills Fund: Activity information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration/Operations	118 129	113 354	125 199	130 465	156 885	176 408	155 658
Social Development Initiatives	258 296	303 246	149 741	646 546	863 663	950 785	833 418
ABET	34 990	59 620	110 665	191 041	59 022	39 379	31 380
Critical Skills Support	223 495	77 591	238 881	262 153	806 637	826 966	674 676
Industry Support Programme	30 387	34 645	46 473	134 525	234 861	178 339	156 792
Other	51 565	213 818	257 867	2 105 750	897 138	619 929	510 455
Total expense	716 863	802 275	928 826	3 470 479	3 018 207	2 791 807	2 362 379

Table 16.20 National Skills Fund: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	177 798	250 580	400 741	317 894	327 431	343 802	378 182
<i>Other non-tax revenue</i>	177 798	250 580	400 741	317 894	327 431	343 802	378 182
Skills development levy	1 108 352	1 301 660	1 493 776	1 598 947	1 736 577	1 889 646	1 984 129
Total revenue	1 286 150	1 552 240	1 894 517	1 916 841	2 064 008	2 233 448	2 362 311
Expenses							
Current expense	72 448	65 063	66 277	131 600	159 485	179 187	198 417
Compensation of employees	11 782	10 945	11 764	25 659	31 638	35 111	40 280
Goods and services	60 666	54 118	54 513	105 941	127 847	144 076	158 137
Transfers and subsidies	644 415	737 212	862 549	3 338 879	2 858 722	2 612 620	2 163 962
Total expenses	716 863	802 275	928 826	3 470 479	3 018 207	2 791 807	2 362 379
Surplus / (Deficit)	569 287	749 965	965 691	(1 553 638)	(954 199)	(558 359)	(68)

Expenditure trends

Total revenue is projected to grow at an average annual rate of 7.2 per cent over the MTEF period, mainly due to revenue from the skills development levy, which is collected on a monthly basis by the South African Revenue Service. In 2008/09, revenue of R1.5 billion was derived from the skills development levy and the balance from interest earned from investments.

Total expenditure grew at an average annual rate of 69.2 per cent, from R716.9 million in 2006/07 to R3.5 billion in 2009/10, driven mainly by payments for skills development projects aligned with the national skills development strategy. Between 2006/07 and 2009/10, spending on compensation of employees grew at an average annual rate of 29.6 per cent due to salary adjustments. Spending over the MTEF period is expected to grow at a slower average annual rate of 12.0 per cent. Spending on transfers and subsidies paid is projected to decrease over the medium term, at an average annual rate of 13.5 per cent, from R3.3 billion in 2009/10 to R2.2 billion in 2012/13.

The projected deficits in the current year and over the MTEF period are due to an increase in the rollout of skills programmes. The National Skills Fund has adequate cash and reserves in the current year and over the MTEF period to fund these projected deficits.

Sector education and training authorities

Strategic overview: 2006/07 – 2012/13

There are currently 23 sector education and training authorities. Mandated by section 9 of the Skills Development Act (1998) to provide skills development across various economic sectors, their main objectives are: to implement sector skills plans to develop appropriate skills, to develop and register learning programmes, and to distribute skills development levy funds. The sector education and training authorities have moved from the Department of Labour to the Department of Higher Education and Training as part of the macro-reorganisation of the state.

Sector education and training authorities meet the national skills development strategy targets through a legislated service level agreement with the Department of Labour. These annual agreements are determined by the national skills development strategy's five-year target, which is also calculated in annual terms over the five-year period. The sector education and training authority sector skills plans have formed the basis for the first formally published, occupationally based national scarce skills list. The list has also been integrated into the Department of Home Affairs' processes for issuing scarce skills immigration work permits. Sector education and training authority sector skills plans are automatically uploaded through an integrated data collection process into the employment services system so that the annual national scarce skills list is efficiently updated.

The national skills development strategy for 2005 to 2010 sets targets for sector education and training authority programmes. This strategy has been extended for one year to 2011. The national skills development strategy will be revised in 2011.

Selected performance indicators

Table 16.21 Sector education and training authorities

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of additional BEE small, medium and micro enterprises and cooperatives that receive skills development support	1 293	1 442	2 251	1 770	2 491	2 615	2 745
Number of additional adult basic education and training learners registered by sector education and training authorities	46 095	40 583	39 116	46 750	34 786	36 525	38 350
Number of additional adult basic education and training learners who have completed programmes	12 748	20 415	14 471	31 392	22 713	23 484	24 658
Number of additional workers assisted to enter scarce and critical skills programmes through learnerships, apprenticeships, bursaries and skills programmes	57 577	11 2100	10 3296	56 398	59 954	62 950	66 097
Number of additional workers enrolled in scarce and critical skills programmes who have completed learning programmes	21 423	71 529	108 887	35 194	36 988	38 837	40 778
Percentage of workers successfully completed learning programmes	37%	64%	79%	50%	50%	50%	50%
Number of additional unemployed people assisted to enter scarce and critical skills programmes in learnerships, apprenticeships, internships, bursaries and skills programmes	41 011	57 570	60 126	36 804	31 295	32 859	34 501
Number of additional unemployed learners who have completed learning programmes	12 251	38 008	63 349	22 785	14 445	15 167	15 925
Number of additional youth supported through new venture creation programmes	3 287	2 559	3 406	3 406	2 092	14 344	15 061
Number of additional ventures sustainable 12 months after completion of the programme	755	1 791	1 475	3 408	4 215	4 425	4 646

Service delivery focus

In 2008/09, 2 251 small BEE cooperatives were supported, exceeding the target by 288.8 per cent due to many sector education training authorities fully establishing systems to assist SMMEs. This was also reflected in the first half of 2009/10, where 1 200 small BEE cooperatives were supported, or 68 per cent of the targeted 1 770.

In 2008/09, 40 851 learners, against a target of 10 732, entered adult basic education and training programmes, of which 14 471 completed the programmes, against a target of 44 650. The numbers completing the programmes exceed the number of entrants as new entrants overlap with the previous year's intake and the throughput rate of those who complete the programmes is very poor. The design of adult basic education and training programmes will be reviewed in the national skills development strategy of 2012-2015.

Expenditure estimates

Table 16.22 Sector education and training authorities: Project information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration/Operations	721 644	511 333	586 943	614 637	690 422	730 813	771 786
Discretionary Grants	860 115	937 301	1 482 798	1 885 989	1 796 404	1 843 558	1 958 147
Mandatory Grants	1 796 033	1 949 688	2 302 548	2 409 515	2 557 605	2 748 224	2 967 191
Skills Development and Research	184 408	112 806	138 690	378 881	264 566	244 318	263 017
Other	739 693	773 412	804 790	975 652	1 767 693	1 735 654	1 583 288
Total expense	4 301 893	4 284 540	5 315 768	6 264 674	7 076 690	7 302 566	7 543 430

Table 16.23 Sector education and training authorities: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	308 296	465 309	656 308	426 293	370 381	321 727	329 433
Sale of goods and services other than capital assets <i>of which:</i>	7 011	2 836	1 142	2 781	10 128	10 616	11 133
<i>Admin fees</i>	912	–	–	–	–	–	–
<i>Sales by market establishments</i>	5 879	2 678	849	2 668	10 128	10 616	11 133
<i>Other sales</i>	220	158	293	113	–	–	–
<i>Other non-tax revenue</i>	301 285	462 473	655 166	423 512	360 253	311 112	318 300
Skills development levy	4 388 922	5 167 730	5 943 906	6 298 973	6 830 165	7 417 255	7 784 052
Total revenue	4 697 218	5 633 039	6 600 214	6 725 266	7 200 546	7 738 982	8 113 485
Expenses							
Current expense	839 453	657 555	775 254	774 047	849 921	958 362	1 013 530
Compensation of employees	272 138	314 842	356 839	404 002	437 918	466 392	494 319
Goods and services	544 817	316 690	387 522	343 170	387 909	468 243	494 375
Depreciation	21 547	22 440	27 523	25 521	22 256	21 831	22 980
Interest, dividends and rent on land	951	3 583	3 371	1 354	1 838	1 896	1 855
Transfers and subsidies	3 462 440	3 626 985	4 540 514	5 490 627	6 226 769	6 344 205	6 529 900
Total expenses	4 301 893	4 284 540	5 315 768	6 264 675	7 076 690	7 302 567	7 543 430
Surplus / (Deficit)	395 325	1 348 499	1 284 445	460 591	123 856	436 415	570 055

Expenditure trends

Total revenue grows at an average annual rate of 9.5 per cent over the 7-year period, from R4.7 billion in 2006/07 to R8.1 billion in 2012/13. The skills development levy collected by the South African Revenue Service accounts for an average of 95.1 per cent of total revenue over the medium term. Other non-tax revenue fluctuates between 2007/08 and 2010/11 due to fluctuations in interest earned on investments and the use of investments to fund training programmes.

Spending over the 7-year period grows at an average annual rate of 9.8 per cent, from R4.3 billion in 2006/07 to R6.3 billion in 2009/10 and R7.5 billion in 2012/13. The increase is driven mainly by payments relating to skills development programmes. Between 2006/07 and 2009/10, spending on compensation of employees grew at an average annual rate of 14.1 per cent due to higher salary adjustments, and is projected to grow at the slower average annual rate of 7 per cent over the MTEF period. Spending on goods and services decreased at an average annual rate of 14.3 per cent between 2006/07 and 2009/10, due to a decreased dependence on consultants. Over the medium term, expenditure on this item is expected to increase at an average annual rate of 12.9 per cent, due to increased spending on communications, travel and subsistence, and advertising related to marketing the revised national skills development strategy. The surpluses over the 7-year period are due to the rate of spending on skills development programmes being much lower than the skills levy collected. An average of 81.9 per cent of the levy collected is spent on skills development programmes.

Additional tables

Table 16.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2008/09		2008/09	2009/10			2009/10
1. Administration	132 733	132 696	131 453	149 670	9 672	159 342	155 130
2. Curriculum Policy, Support and Monitoring	446 801	561 953	539 538	538 062	532 357	1 070 419	787 600
3. Teachers and Education Human Resources Development and Management	280 782	276 751	280 379	502 287	(3 677)	498 610	495 769
4. Planning, Quality Assessment and Monitoring and Evaluation	181 727	200 813	215 538	126 385	7 245	133 630	152 793
5. Social Responsibility	1 786 807	2 135 003	2 117 467	2 613 469	(1 033)	2 612 436	2 606 645
Total	2 828 850	3 307 216	3 284 375	3 929 873	544 564	4 474 437	4 197 937
Economic classification							
Current payments	863 751	994 514	949 845	923 090	532 899	1 455 989	1 179 489
Compensation of employees	179 809	189 353	186 265	217 144	12 771	229 915	251 415
Goods and services	683 942	805 161	763 580	705 946	520 128	1 226 074	928 074
Transfers and subsidies	1 958 227	2 305 938	2 321 672	3 000 057	9 606	3 009 663	3 009 663
Provinces and municipalities	1 751 008	2 098 235	2 114 114	2 571 929	3 474	2 575 403	2 575 403
Departmental agencies and accounts	196 122	196 135	196 209	416 576	1 539	418 115	418 115
Foreign governments and international organisations	11 047	11 065	10 548	11 502	-	11 502	11 502
Non-profit institutions	50	50	50	50	-	50	50
Households	-	453	751	-	4 593	4 593	4 593
Payments for capital assets	6 872	6 764	12 777	6 726	2 059	8 785	8 785
Machinery and equipment	6 461	6 648	11 232	6 696	1 833	8 529	8 529
Software and other intangible assets	411	116	1 545	30	226	256	256
Payments for financial assets	-	-	81	-	-	-	-
Total	2 828 850	3 307 216	3 284 375	3 929 873	544 564	4 474 437	4 197 937

Table 16.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Permanent and full time contract employees							
Compensation (R thousand)	96 303	120 795	149 555	184 602	205 066	219 799	231 345
Unit cost (R thousand)	227	267	287	346	377	404	425
<i>Administration</i>	166	181	226	275	283	286	303
<i>Curriculum Policy, Support and Monitoring</i>	198	246	323	376	438	475	498
<i>Teachers and Education Human Resources Development and Management</i>	85	93	178	275	335	380	400
<i>Planning, Quality Assessment and Monitoring and Evaluation</i>	252	330	371	375	348	374	392
<i>Social Responsibility</i>	266	211	255	319	417	443	465
Personnel numbers (head count)	425	453	522	533	544	544	544
Part time and temporary contract employees							
Compensation (R thousand)	18 947	26 929	33 341	41 155	45 716	49 001	51 575
Unit cost (R thousand)	125	148	164	248	271	290	305
Personnel numbers (head count)	151	182	203	166	169	169	169
Total for department							
Compensation (R thousand)	116 972	150 445	186 265	229 915	255 401	273 751	288 131
Unit cost (R thousand)	178	204	243	315	343	367	387
Personnel numbers (head count)	656	738	767	730	745	745	745

Table 16.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R thousand)	116 972	150 445	186 265	229 915	255 401	273 751	288 131
Training expenditure (R thousand)	1 581	2 796	6 511	1 708	2 457	2 390	2 528
Training as percentage of compensation	1.4%	1.9%	3.5%	0.7%	1.0%	0.9%	0.9%
Total number trained in department (head count)	370	364	316	122			
<i>of which:</i>							
<i>Employees receiving bursaries (head count)</i>	26	26	24	29			
<i>Internships trained (head count)</i>	80	103	42	37			
Households receiving bursaries (R thousand)	–	120 000	180 000	400 000	424 000	449 440	471 912
Households receiving bursaries (head count)	–	11 678	20 571	45 714			

Table 16.D Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Conditional grants to provinces							
2. Curriculum Policy, Support and Monitoring							
Technical Secondary Schools Recapitalisation Grant	–	–	–	–	80 000	200 000	210 000
Dinaledi Schools Grant	–	–	–	–	–	70 000	100 000
4. Planning, Quality Assessment and Monitoring and Evaluation							
Disaster Management Grant	–	–	22 002	–	–	–	–
5. Social Responsibility							
HIV and AIDS (Life skills education) Grant	144 471	157 571	165 003	180 875	188 045	199 328	209 294
National School Nutrition Programme Grant	1 098 036	1 219 289	1 927 109	2 394 528	3 663 326	4 578 752	4 928 090
Total	1 242 507	1 376 860	2 114 114	2 575 403	3 931 371	5 048 080	5 447 384

1. Detail provided in the Division of Revenue Act (2010)

Table 16.E Summary of departmental public private partnership (PPP) projects

Project description: Sethekgo Consortium	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
		2009/10	2010/11	2011/12	2012/13
R thousand					
Projects signed in terms of Treasury Regulation 16					
PPP unitary charge	–	57 102	96 742	102 747	108 284
Advisory fees	–	54 602	96 742	102 747	108 284
	–	2 500	–	–	–
Total	–	57 102	96 742	102 747	108 284

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	New Head Office Building
Brief description	Finance, design, construction, operation and maintenance of new serviced accommodation
Date PPP agreement was signed	2007/04/20
Duration of PPP agreement	27 years (2 years construction, 25 years service)
Escalation index for unitary fee	CPIX
Net Present Value of all payment obligations discounted at appropriate duration government bond yield	R1 576 044 149
Variations / amendments to PPP agreement	Variation 1: Enlargement of building approved on the 18 of January 2008. Variation 2: Upgrading of certain facilities approved on 28/07/2009.
Cost implications of variations/amendments	Financial Close: Real Annual Unitary Payment Base Date 1 Oct 2006 (Excl Vat) R71 350 877.00 VO1: Real Annual Unitary Payment Base Date 1 Oct 2006 (Excl Vat) R76 710 526.00. VO2 Rea Annual Unitary Payment Base Date 1 Oct 2006 (Excl Vat) R96 700 000.00
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	Maximum exposure on termination for default by the Department of R1 156 385 155.00 in year 2011, March and R1 060 072 172.00 in year 2023, March for default by the Private Party.

Table 16.F Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
Foreign												
In cash												
European Union	University library books and technical support.	University Education	216 230	Goods and services	University library books	11 411	31 322	15 494	6 102	-	-	-
United Kingdom Department for International Development	Mergers of higher education institutions	University Education	1 603	Goods and services	Merging of institutions	17	-	-	-	-	-	-
Norway	Oslo Celebration Research Grant	University Education	249	Goods and services	Awarding of grants to pursue research on education and gender	-	-	239	-	-	-	-
In kind												
Finland	Direct merger expenditure restructuring	University Education	39 000	Goods and services	Implementation of the restructuring of the South African higher education system and merger of institutions	21 253	-	-	-	-	-	-
Norway	Higher education policy	University Education	248 846	Goods and services	Technical assistance on higher education	15 971	8 722	16 448	-	-	-	-
United States Agency for International Development College Fund	Strategic objective grant agreement	University Education	143 086	Goods and services	Technical assistance on finance, education economics, human resources and information policy, planning and monitoring matters	-	-	58 400	-	-	-	-
European Union	Technical and business initiative in South Africa	University Education	48	Goods and services	Promotion of research, curriculum development and learning materials development, teacher training and the introduction of new programmes to provide support in the creation and development of small businesses to reduce poverty	-	-	48	-	-	-	-
Total			649 062			48 652	40 044	90 629	6 102	-	-	-

Table 16.G Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
University subsidies	Interest and redemption (capital) pertaining to Higher Education Institutions	Handed over	-	90 536	77 523	54 756	37 000	32 000	26 000	22 000
Total			-	90 536	77 523	54 756	37 000	32 000	26 000	22 000

Table 16.H Summary of financial assistance to higher education institutions, 2009/10

Higher education institutions	Block grant	Interest and redemption	Infrastructure and efficiency funds	Development Funds	Ad hoc	NSFAS			Total
						General allocation	Teacher training	Students with disabilities	
Cape Peninsula University of Technology	589 726	4 785	–	21 476	–	70 669	7 257	1 065	694 978
University of Cape Town	740 708	1 578	82 000	4 830	35 410	37 799	474	752	903 551
Central University of Technology, Free State	213 032	2 181	30 000	4 006	–	36 356	3 019	1 065	289 659
Durban Institute of Technology	454 578	1 772	45 000	13 611	–	82 857	3 523	1 065	602 406
University of Fort Hare	171 629	58	30 000	22 124	–	23 009	1 208	1 003	249 031
University of Free State	559 097	1 709	40 000	24 529	23 550	40 481	2 324	3 509	695 199
University of KwaZulu-Natal	958 015	2 938	60 000	30 470	45 190	85 710	13 636	4 198	1 200 157
Mangosuthu Technikon	164 463	–	20 000	10 408	–	36 062	–	1 190	232 123
Nelson Mandela Metropolitan University	481 637	2 473	10 000	11 911	390	46 416	289	1 253	554 369
North West University	737 326	2 013	–	10 080	1 100	41 183	6 521	1 504	799 727
University of Pretoria	1 201 242	232	81 000	11 223	44 310	56 059	5 434	1 566	1 401 066
Rhodes University	199 371	446	50 000	1 693	400	7 450	71	1 065	260 496
University of Stellenbosch	693 093	2 520	23 000	1 906	34 010	11 864	789	9 900	777 082
Tshwane University of Technology	930 603	3 274	153 000	28 078	–	152 049	174	815	1 267 993
University of South Africa	1 092 130	2 072	–	273 054	–	60 357	4 490	3 571	1 435 674
University of Johannesburg	840 420	3 639	210 000	30 501	–	106 765	1 501	3 697	1 196 523
University of Limpopo	445 968	1 120	70 000	38 891	36 760	62 225	7 910	1 316	664 190
Vaal University of Technology	312 531	1 196	30 000	17 156	–	62 724	–	940	424 547
University of Venda	175 935	2 092	108 000	31 744	–	42 744	5 867	6 140	372 522
Walter Sisulu University of Science and Technology, Eastern Cape	385 258	–	180 000	55 689	12 290	76 791	6 560	1 441	718 029
University of the Western Cape	395 137	–	80 000	24 230	14 980	40 645	1 358	1 441	557 791
Witwatersrand University	796 720	3 623	100 000	6 539	51 610	54 534	2 777	815	1 016 618
University of Zululand	209 599	879	60 000	11 920	–	30 704	10 317	689	324 108
Unallocated	19 149	–	–	2 760	38 400	25 716	–	–	86 025
NSFAS: SA Institute for Chartered Accountants	–	–	–	–	–	–	–	–	18 000
Total	12 767 367	40 600	1 462 000	688 829	338 400	1 291 169	85 499	50 000	16 741 864

Table 16.I Summary of financial assistance to higher education institutions, 2010/11

Higher education institutions	Block grant	Interest and redemption	Infrastructure and efficiency funds	Development funds	Ad hoc	NSFAS			Total
						General allocation	Teacher training	Students with disabilities	
Cape Peninsula University of Technology	668 223	2 938	87 100	20 711	–	75 540	7 777	3 460	865 749
University of Cape Town	847 576	1 150	99 200	7 044	–	40 853	508	2 169	998 500
Central University of Technology, Free State	245 619	1 760	24 200	4 625	–	38 854	3 235	1 774	320 067
Durban Institute of Technology	499 366	1 188	86 000	13 495	–	89 403	3 775	4 650	697 877
University of Fort Hare	196 564	58	63 600	25 242	–	25 558	1 295	1 810	314 127
University of Free State	634 537	1 526	53 300	30 141	–	44 772	2 491	3 047	769 814
University of KwaZulu-Natal	1 113 704	1 774	108 300	11 987	–	90 259	14 613	3 231	1 343 868
Mangosuthu Technikon	183 522	–	37 700	16 787	–	38 636	–	1 828	278 473
Nelson Mandela Metropolitan University	529 615	1 925	64 900	12 635	–	50 375	310	2 812	662 572
North West University	821 585	1 720	100 300	11 390	–	43 911	6 989	1 938	987 833
University of Pretoria	1 325 300	134	67 200	8 405	–	61 026	5 823	3 528	1 471 416
Rhodes University	225 490	275	30 900	1 380	–	8 230	76	554	266 905
University of Stellenbosch	815 688	1 927	95 200	5 428	–	13 060	186	850	932 339
Tshwane University of Technology	1 028 778	3 102	135 000	35 789	–	165 374	4 812	9 465	1 382 320
University of South Africa	1 329 755	778	19 400	297 077	–	65 441	845	3 612	1 716 908
University of Johannesburg	969 299	4 071	51 000	27 047	–	118 030	1 609	8 002	1 179 058
University of Limpopo	488 863	683	99 400	46 609	–	67 350	8 477	3 640	715 022
Vaal University of Technology	357 299	792	17 600	13 878	–	66 688	–	2 815	459 072
University of Venda	215 246	2 086	28 200	21 312	–	47 124	6 287	3 111	323 366
Walter Sisulu University of Science and Technology, Eastern Cape	429 276	–	63 000	49 936	–	83 986	7 030	5 111	638 339
University of the Western Cape	460 506	–	69 000	27 106	–	43 284	1 455	1 875	603 226
Witwatersrand University	888 624	3 178	133 100	9 820	–	59 590	2 976	3 592	1 100 880
University of Zululand	246 546	–	51 400	15 409	–	32 712	11 056	1 426	358 549
Unallocated	11 767	–	–	31 674	623 000	29 608	–	–	696 049
NSFAS: SA Institute for Chartered Accountants	–	–	–	–	–	–	–	–	25 770
Total	14 532 748	31 065	1 585 000	744 927	623 000	1 399 664	91 625	74 300	19 108 099

