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VOTE 17
Higher Education
and Training

**ESTIMATES
OF NATIONAL
EXPENDITURE** **2011**



national treasury

Department:
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The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on www.treasury.gov.za

Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



Lesetja Kganyago
Director-General: National Treasury

Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at www.treasury.gov.za.

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p> <p>Outcome 6: An efficient, competitive and responsive economic infrastructure network</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</p>
Housing and community amenities	Human Settlements [31], Water Affairs [38]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 8: Sustainable human settlements and improved quality of household life</p> <p>Outcome 9: A responsive, accountable, effective and efficient local government system</p>
Education	Basic Education [15], Higher Education and Training [17]	<p>Outcome 1: Improved quality of basic education</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p>
Health	Health [16]	Outcome 2: A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>
Defence	Defence and Military Veterans [22]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p>
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	<p>Outcome 9: A responsive, accountable, effective and efficient local government system</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>

The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

Savings realised per function over the medium term

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
Total	6 359 682	8 794 185	7 862 728	23 016 595

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

Major areas of savings and reprioritisation

Function	Savings identified	Savings redirected
Economic affairs	Non-core goods and services (R2 billion) Underperforming programmes (R1.3 billion)	Road maintenance (R950 million) Expansion of public transport infrastructure and system grant (R580 million) Rural development and land reform (R1.3 billion)
Housing and community amenities	Underperforming programmes (R600 million) Non-core goods and services (R478 million) Rescheduling of expenditure (R759 million) Expanded public works programme: Infrastructure (R688 million)	Completion of De Hoop Dam and a portion of bulk distribution system (R1 billion) Regional bulk infrastructure (R600 million) Expanded public works programme Social sector (R825 million)
Social protection	Non-essential items such as catering and consultation fees (R927 million)	Old age grants - means threshold increased (R280 million) Efficient and effective grant payment model (R535 million)
Public order and safety	Non-essential items (R555 million)	Anti-retroviral drugs for prisoners and additional police personnel (R465 million)
Defence	Non-core goods and services (R1.3 billion)	New remuneration dispensation (R1.3 billion)

In addition to the initial exercise, a further reduction of 0.3 per cent on the budgets of provincial and national departments was also effected; this yielded an additional R6 billion in savings.

Policy reserve

In line with the change to functional budgeting, the additional allocation made available through the national Budget framework was divided per function and a policy reserve was also retained. In the 2011 Budget process the policy reserve was created to fund key government priorities over the next three years. Including the initial identified savings of R1.4 billion that was not reprioritised and the R6 billion identified later, a policy reserve amounting to R33 billion was created. The table below shows how the policy reserve was allocated.

Allocation of the policy reserve

R thousand	2011/12	2012/13	2013/14	Total
For various functions				
Job creation and youth employment	2 000 000	3 000 000	4 000 000	9 000 000
Economic affairs				
Economic regulatory capacity	50 000	50 000	50 000	150 000
Green economy: allocated	200 000	-	-	200 000
: unallocated	-	300 000	500 000	800 000
Broadband information and communication technology: universal access	100 000	150 000	200 000	450 000
Rural development and farmer support	150 000	350 000	600 000	1 100 000
Public transport	200 000	400 000	600 000	1 200 000
Agro-Processing Competitiveness Fund	34 000	108 000	108 000	250 000
Khula Direct	55 000	-	-	55 000
Housing and community amenities				
Human settlement upgrading	200 000	400 000	600 000	1 200 000
Water infrastructure and quality	50 000	150 000	200 000	400 000
Education				
School infrastructure	700 000	1 500 000	2 300 000	4 500 000
Further education and training colleges expansion and National Students Financial Aid Scheme	1 949 990	2 714 188	3 075 595	7 739 773
Health				
Public health services	600 000	1 400 000	2 000 000	4 000 000
Public order and safety				
Police capacity and border control	100 000	400 000	900 000	1 400 000
Defence				
Border control	100 000	200 000	300 000	600 000
Total	6 488 990	11 122 188	15 433 595	33 044 773

The largest allocation from the policy reserve amounts to R9 billion and targets job creation and youth employment, which is allocated on the National Treasury vote. It will be allocated to line departments that provide proposals for projects that meet the objectives of the fund. Of the R1 billion allocation for the green economy, R800 million is currently unallocated to any specific vote but will be announced in the 2011 Budget

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

Additional allocations

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 per cent) to provinces and R5.1 billion (5.4 per cent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

Economic affairs

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

Transport

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

Energy and environmental protection

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

Industrial development

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

Agriculture, forestry, fisheries and land affairs

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs**' vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

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

Summary tables

Table 1: Main budget framework 2007/08 to 2013/14

Table 2: Additional allocation to national votes 2011/12 to 2013/14

Table 3: Expenditure by national vote 2007/08 to 2013/14

Table 4: Expenditure by economic classification 2007/08 to 2013/14

Table 5: Amounts to be appropriated from the National Revenue Fund for 2011/12

Table 6a: Conditional grants to provinces 2007/08 to 2013/14

Table 6b: Conditional grants to municipalities 2007/08 to 2013/14

Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14

Table 1 Main budget framework 2007/08 to 2013/14

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue (National Revenue Fund)							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment ¹	-	-	-	-2 900.0	-	-	-
Total revenue	560 795.1	608 795.5	579 679.0	666 562.7	729 857.6	806 418.2	904 313.7
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
Expenditure							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments ²	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets ²	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	-	-	-	-	40.0	330.0	530.0
Contingency reserve	-	-	-	-	4 090.4	11 405.4	23 375.2
Total expenditure	541 443.4	635 953.3	747 196.8	809 923.3	888 923.3	968 131.7	1 053 028.6
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
Budget deficit³	19 351.6	-27 157.8	-167 517.7	-143 360.6	-159 065.7	-161 713.5	-148 714.9
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
GDP	2 078 822.0	2 312 965.0	2 442 593.0	2 666 893.9	2 914 861.7	3 201 299.3	3 536 001.5

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

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

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

Table 2 Additional allocation to national votes 2011/12 to 2013/14¹

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
Central Government Administration	1 948.2	2 277.4	2 923.5	7 149.1
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
Financial and Administrative Services	4 067.9	4 190.0	5 261.1	13 519.0
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
Social Services	4 043.4	7 691.7	14 993.2	26 728.2
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
Justice, Crime Prevention and Security	3 740.6	5 760.1	7 583.9	17 084.7
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
Economic Services and Infrastructure	6 550.4	8 755.2	10 874.5	26 180.1
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
Total	20 350.6	28 674.3	41 636.1	90 661.1

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

Table 3 Expenditure by national vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Central Government Administration				
1 The Presidency	649.4	308.8	659.1	766.9
2 Parliament	849.8	1 071.5	1 009.0	1 201.6
3 Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4 Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5 International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6 Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7 Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8 Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
Financial and Administrative Services				
9 Government Communication and Information System	380.9	427.5	495.4	550.2
10 National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11 Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12 Public Service and Administration	609.6	630.6	670.8	658.7
13 Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
Social Services				
14 Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15 Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16 Health	13 578.6	16 424.5	19 168.6	23 132.5
17 Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18 Labour	1 431.5	1 507.2	1 698.7	1 835.8
19 Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20 Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
Justice, Crime Prevention and Security				
21 Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22 Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23 Independent Complaints Directorate	80.9	99.3	106.2	131.4
24 Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25 Police	36 525.9	41 635.2	47 662.5	53 529.7
Economic Services and Infrastructure				
26 Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27 Communications	1 911.8	2 328.6	2 301.9	2 138.0
28 Economic Development	245.1	220.4	314.6	449.8
29 Energy	2 229.8	2 961.7	3 690.9	5 648.7
30 Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31 Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32 Mineral Resources	717.5	768.3	853.8	995.8
33 Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34 Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35 Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36 Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37 Transport	19 155.9	28 161.7	28 664.0	30 380.8
38 Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
Total appropriation by vote	309 800.8	370 620.6	436 383.5	466 338.6
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
Members remuneration (Parliament)	240.7	304.2	398.8	392.7
State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
General fuel levy sharing with metros (National Treasury)	-	-	6 800.1	7 542.4
Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
Total direct charges against the National Revenue Fund	231 642.6	265 332.8	310 813.2	351 040.0
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
				Central Government Administration
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				Financial and Administrative Services
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				Social Services
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				Economic Services and Infrastructure
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
459 919.7	499 480.9	538 380.2	578 700.1	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.6	4.8	5.1	5.3	President and Deputy President salary (The Presidency)
392.7	409.6	430.1	453.8	Members remuneration (Parliament)
66 570.4	76 578.7	90 807.7	104 036.2	State debt costs (National Treasury)
265 139.4	288 492.8	305 725.4	323 604.4	Provincial equitable share (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	General fuel levy sharing with metros (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	Skills levy and Setas (Higher Education and Training)
1 929.9	2 104.2	2 401.9	2 575.7	Judges and magistrates salaries (Justice and Constitutional Development)
350 003.5	385 312.0	418 016.1	450 423.3	Total direct charges against the National Revenue Fund
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 4 Expenditure by economic classification 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Current payments				
Compensation of employees	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
Goods and services	32 272.1	38 522.2	41 695.1	47 989.9
Interest and rent on land	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
Total current payments	141 389.1	157 770.1	174 259.2	204 346.3
Transfers and subsidies to:				
Provinces and municipalities	243 233.6	289 395.9	344 774.7	387 557.9
Provinces	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
Municipalities	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
Departmental agencies and accounts	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
Universities and technikons	12 004.1	13 897.7	15 443.5	17 576.1
Foreign governments and international organisations	935.6	1 010.6	1 366.4	1 357.1
Public corporations and private enterprises	19 485.7	20 188.1	21 704.6	20 492.5
Public corporations	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
Private enterprises	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
Non-profit institutions	1 006.7	1 222.2	1 220.3	1 470.9
Households	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
Total transfers and subsidies	391 929.9	458 702.2	532 182.3	582 807.0
Payments for capital assets				
Buildings and other fixed structures	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
Machinery and equipment	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
Heritage assets	-	0.1	0.2	-
Specialised military assets	-	-	83.1	19.0
Biological assets	10.6	2.7	2.1	2.0
Land and subsoil assets	27.4	49.0	83.9	0.1
Software and other intangible assets	187.7	198.3	193.2	40.8
Total payments for capital assets	7 018.5	8 508.4	9 202.2	9 336.2
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.2
Total	541 443.4	635 953.3	747 196.8	817 378.6
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
88 324.0	94 788.4	100 350.8	107 316.5	Current payments
				Compensation of employees
74 278.1	79 661.6	84 435.8	90 409.3	Salaries and wages
14 046.0	15 126.9	15 914.9	16 907.2	Social contributions
46 980.3	52 944.2	55 829.0	59 536.1	Goods and services
66 579.3	76 606.4	90 838.6	104 067.6	Interest and rent on land
66 578.5	76 605.4	90 837.4	104 066.4	Interest (Incl. interest on finance leases)
0.8	1.1	1.2	1.2	Rent on land
201 883.7	224 339.0	247 018.3	270 920.2	Total current payments
				Transfers and subsidies to:
384 334.3	428 131.5	457 512.2	486 602.9	Provinces and municipalities
323 080.3	357 928.6	380 449.6	404 251.4	Provinces
323 080.3	357 928.6	380 449.6	404 251.4	Provincial revenue funds
61 254.0	70 202.9	77 062.5	82 351.5	Municipalities
61 254.0	70 202.9	77 062.5	82 351.5	Municipal bank accounts
55 866.1	68 241.9	73 170.5	78 537.2	Departmental agencies and accounts
11.6	12.4	13.0	13.7	Social security funds
55 854.6	68 229.5	73 157.5	78 523.5	Departmental agencies (non-business entities)
17 571.1	19 365.4	20 766.7	21 953.2	Universities and technikons
1 358.2	1 463.4	1 723.6	1 830.5	Foreign governments and international organisations
20 459.5	23 642.9	25 011.7	25 561.1	Public corporations and private enterprises
18 180.6	20 434.1	21 742.4	22 063.1	Public corporations
9 836.7	9 879.4	9 997.1	8 896.9	Subsidies on products or production
8 343.9	10 554.7	11 745.4	13 166.3	Other transfers to public corporations
2 278.9	3 208.8	3 269.3	3 498.0	Private enterprises
1 813.5	2 718.2	2 663.9	2 856.4	Subsidies on products or production
465.4	490.6	605.4	641.6	Other transfers to private enterprises
1 461.7	1 500.4	1 874.8	2 099.0	Non-profit institutions
97 282.0	106 151.3	115 494.5	124 154.6	Households
91 514.5	101 279.1	110 239.7	118 596.5	Social benefits
5 767.5	4 872.3	5 254.9	5 558.1	Other transfers to households
578 332.9	648 496.9	695 554.1	740 738.6	Total transfers and subsidies
				Payments for capital assets
5 615.9	7 845.0	10 560.6	14 057.6	Buildings and other fixed structures
4 479.1	5 486.6	7 813.1	11 078.5	Buildings
1 136.8	2 358.3	2 747.6	2 979.1	Other fixed structures
3 144.0	3 302.7	3 202.5	3 344.4	Machinery and equipment
1 699.1	1 922.9	1 645.0	1 697.5	Transport equipment
1 444.9	1 379.8	1 557.5	1 646.9	Other machinery and equipment
0.0	-	-	-	Heritage assets
19.0	20.7	21.3	22.4	Specialised military assets
2.0	0.2	0.3	0.3	Biological assets
0.1	-	-	-	Land and subsoil assets
35.9	38.3	39.1	39.9	Software and other intangible assets
8 817.0	11 206.9	13 823.7	17 464.5	Total payments for capital assets
20 889.7	750.1	0.1	0.1	Payments for financial assets
809 923.3	884 792.9	956 396.3	1 029 123.4	Total
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12

R million	Appropriated (including direct charges) 2010/11	Current payments	Transfers and subsidies	Payments for capital assets 2011/12	Payments for financial assets	To be appropriated	Increase/ Decrease	
Central Government Administration								
1	The Presidency	706.8	417.5	387.8	14.5	-	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	-	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	-	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	-	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	-	3.0	-	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	-	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	-	117.9	20.2
Financial and Administrative Services								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	-	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	-	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	-	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	-	3 240.9	1 267.5
Social Services								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	-	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	-	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	-	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	-	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	-	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	-	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	-	802.7	-442.9
Justice, Crime Prevention and Security								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	-	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	-	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	-	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	-	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	-	58 061.5	5 505.1
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	-	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	-	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	-	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	-	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	-	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	-	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	-	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	-	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	-	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	-	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	-	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	-	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	-	9 936.2	1 939.6
Total	812 142.9	224 339.0	648 496.9	11 206.9	750.1	884 792.9	72 650.0	

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

Table 6a Conditional grants to provinces 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
Financial and Administrative Services								
10	–	–	4 200.0	–	–	–	–	–
Social Services								
14	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
Economic Services and Infrastructure								
26	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
Total	33 614.6	42 056.3	56 273.0	60 860.7	57 940.8	69 435.8	74 724.2	80 647.0

1. Detail provided in the Division of Revenue Act (2011).

Table 6b Conditional grants to municipalities 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7	–	–	100.5	623.0	551.4	679.6	665.7	779.5
Financial and Administrative Services								
10	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
Social Services								
20	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
Economic Services and Infrastructure								
29	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
Total	17 806.4	19 927.6	20 891.8	23 354.9	23 051.2	27 490.3	30 416.4	32 743.1

1. Detail provided in the Division of Revenue Act (2011).

Table 7 Training expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Central Government Administration							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	–	–	–	0.2	0.3	0.4	0.5
Financial and Administrative Services							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
Social Services							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
Justice, Crime Prevention and Security							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
Economic Services and Infrastructure							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	–	–	–	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	–
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
Total	1 421.9	1 595.3	1 801.5	2 021.3	2 069.6	2 164.4	2 277.3

Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
Central Government Administration								
3	Cooperative Governance and Traditional Affairs	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4	Home Affairs	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5	International Relations and Cooperation	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7	Public Works	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
Financial and Administrative Services								
10	National Treasury	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
Social Services								
14	Arts and Culture	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15	Basic Education	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16	Health	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18	Labour	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20	Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	-	-	-
Justice, Crime Prevention and Security								
21	Correctional Services	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22	Defence and Military Veterans	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24	Justice and Constitutional Development	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25	Police	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27	Communications	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29	Energy	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30	Environmental Affairs	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31	Human Settlements	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33	Rural Development and Land Reform	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34	Science and Technology	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36	Trade and Industry	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37	Transport	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38	Water Affairs	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
Total		49 206.1	56 185.0	64 530.2	74 837.7	86 457.1	96 781.5	104 206.1

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 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government and Administration									
1	The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2	Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3	Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4	Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5	International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6	Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7	Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8	Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
Financial and Administrative Services									
9	Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10	National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11	Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12	Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13	Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
Social Services									
14	Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15	Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16	Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17	Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18	Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19	Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20	Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
Justice, Crime Prevention and Security									
21	Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22	Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23	Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24	Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25	Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27	Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28	Economic Development	-	-	7.9	57.7	33.7	79.2	91.8	96.5
29	Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30	Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31	Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32	Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33	Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34	Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35	Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36	Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37	Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38	Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
Total		56 221.9	64 819.2	75 276.3	88 740.8	88 324.0	94 788.4	100 350.8	107 316.5

Table 10 Departmental receipts per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government Administration									
1	The Presidency	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2	Parliament	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3	Cooperative Governance and Traditional Affairs	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5	International Relations and Cooperation	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6.	Performance Monitoring and Evaluation	-	-	-	-	-	-	-	-
7	Public Works	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8	Women, Children and People with Disabilities	-	-	-	-	-	-	-	-
Financial and Administrative Services									
9	Government Communication and Information System	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10	National Treasury	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11	Public Enterprises	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12	Public Service and Administration	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13	Statistics South Africa	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
Social Services									
14	Arts and Culture	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15	Basic Education	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16	Health	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17	Higher Education and Training	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18	Labour	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19	Social Development	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20	Sport and Recreation South Africa	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
Justice, Crime Prevention and Security									
21	Correctional Services	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22	Defence and Military Veterans	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23	Independent Complaints Directorate	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24	Justice and Constitutional Development	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25	Police	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27	Communications	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28	Economic Development	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29	Energy	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30	Environmental Affairs	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31	Human Settlements	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32	Mineral Resources	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33	Rural Development and Land Reform	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34	Science and Technology	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35	Tourism	-	-	0.7	1.5	1.5	-	-	-
36	Trade and Industry	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37	Transport	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38	Water Affairs	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
Total departmental receipts as per Estimates of National Expenditure		11 657.1	11 950.7	7 291.9	8 025.3	7 057.5	5 122.8	6 401.5	6 932.4
Less: Parliament (retained departmental receipts)		43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
Plus: Direct receipts into the National Revenue Fund (National Treasury) ²		1 020.9	-	1 000.0	-	600.0	-	-	-
Plus: South African Revenue Service departmental receipts collection		58.0	711.4	635.1	4 255.0	4 612.0	4 890.0	5 150.0	5 430.0
Total departmental receipts as per Budget Review		12 692.6	12 616.2	8 888.5	12 264.8	12 254.0	10 000.9	11 540.0	12 351.1

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

2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.

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 main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. 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. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on www.treasury.gov.za. More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2011/12					2012/13	2013/14
	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 **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 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 a department for its operational requirements.

Transfers and subsidies are payments made by a 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 votes 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, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 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 2012 Budget.

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

Total expenditure estimates are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

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

Aim

The aim of the vote captures the department's mandate, strategic objectives or 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: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These 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		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

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. It should, however, contain key performance indicators that form part of the service delivery agreements.

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 vote 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		
	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 2010 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.

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 any changes made to the appropriation voted in the main 2010 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 were included in the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 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 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 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 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. 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 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

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 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 after consideration of savings, cost reduction and reprioritisation opportunities.

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.

Personnel information

A brief summary of the personnel posts per programme by salary level is given.

Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
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 and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

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

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 the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

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		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2010 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 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

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 as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements 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 that relate to the key activities being carried out
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on www.treasury.gov.za appears at the end of each chapter together with a short description of what the entity does and its total budget.

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 and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

Details of approved 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 personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

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 for 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 as a proportion of compensation of employees, 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.

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.

Unitary charge or fee refers to the total payment made to the private party for the provision of the various services.

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.

Project monitoring cost is associated with the ongoing evaluation and monitoring of public private partnerships in operation.

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.

Departmental infrastructure refers to direct spending by a department on infrastructure assets which the department will own.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government institutions 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 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 expenditure and revenue 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 17

Higher Education and Training

Budget summary

R thousand	2011/12				2012/13	2013/14
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	161 580	160 562	150	868	174 722	185 846
Human Resource Development, Planning and Monitoring Coordination	33 819	31 160	2 443	216	35 156	37 223
University Education	23 429 499	41 367	23 387 779	353	26 076 470	27 844 488
Vocational and Continuing Education and Training	4 475 438	149 008	4 325 989	441	4 889 214	5 462 932
Skills Development	128 253	73 728	48 288	6 237	142 903	157 689
Subtotal	28 228 589	455 825	27 764 649	8 115	31 318 465	33 688 178
Direct charge against the National Revenue Fund						
Sector education and training authorities	7 318 967	–	7 318 967	–	7 684 915	8 107 585
National Skills Fund	1 829 745	–	1 829 745	–	1 921 233	2 026 901
Total expenditure estimates	37 377 301	455 825	36 913 361	8 115	40 924 613	43 822 664
Executive authority	Minister of Higher Education and Training					
Accounting officer	Director General of Higher Education and Training					
Website address	www.education.gov.za					

Aim

Develop and support a quality higher and vocational education sector. Promote access to higher and vocational education and skills development training opportunities.

Programme purposes

Programme 1: Administration

Purpose: Provide overall management and administration of the department.

Programme 2: Human Resource Development, Planning and Monitoring Coordination

Purpose: Provide strategic direction in the development, implementation and monitoring of departmental policies and 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. Provide financial support to universities, the National Student Financial Aid Scheme and the National Institutes for Higher Education.

Programme 4: Vocational and Continuing Education and Training

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

Programme 5: Skills Development

Purpose: Promote and monitor the national skills development strategy. Develop skills development policy and a regulatory framework for an effective skills development system.

Strategic overview: 2007/08 – 2013/14

The Department of Higher Education and Training was established during the national macro reorganisation exercise in 2009 to create a single and coherent post-school education and training system structured to meet the aspirations of youth and adults, and became operational with its own budget in April 2010. The department consists of functions inherited from the former Department of Education, such as university education, further education and training at college level, and adult education and training (excluding basic literacy and numeracy). It is also responsible for functions related to skills development, including providing oversight of and strategic direction to the National Skills Fund, coordinating the sector education and training authorities, and providing oversight of the Institute for the National Development of Learnerships Employment Skills and Labour Assessments, transferred from the Department of Labour.

Expanding the vocational education and training system

In 2007/08, the national curriculum (vocational) qualification was introduced with its related programmes and curricula. The further education and training recapitalisation grant (2006/07 to 2009/10) supported 50 colleges to enable them to offer the new vocational curriculum. The national plan for colleges was also promulgated to signal how the college sector should expand. Between 2007/08 and 2009/10, R600 million was spent on further education and training college bursaries, which benefited 106 378 students. The integrated education information system for the school, further education and training and adult basic education and training sectors was designed in that period. The design for the integrated further education and training management information system was completed and piloted in three further education and training colleges.

Over the MTEF period, the focus will be on amending legislation to integrate education and training and so that the further education and training colleges become an exclusive national legislative competence.

Developments in higher education

The transformation process in the higher education sector has been the key focus over the past few years, following the adoption of the national plan for higher education in 2001, including a review of higher education funding. A successful stakeholder summit on transforming higher education was held in 2010, where all stakeholders adopted a declaration to accelerate the transformation of the university sub-system.

Between 2007/08 and 2010/11, higher education institutions received additional earmarked funding targeted at improving teaching and learning, student residences and university infrastructure. The department also reviewed policies and criteria for the use of research and teaching development grants and is currently revising them. The department will continue to assist institutions with capacity building and to support student representative councils. A policy framework for internationalising higher education systems will be finalised. The framework is aimed at providing a systems approach to international opportunities and assistance to other countries, with a particular emphasis on Africa.

An implementation plan for the National Student Financial Aid Scheme, based on recommendations and public comments received in 2009/10 from a review of the operations of the scheme, is currently being processed in Cabinet.

Over the medium term, the department will: review the funding framework policy; establish the national university applications service; deal with the first phase implementation of establishing universities in Mpumalanga and Northern Cape; implement recommendations emanating from the review of the National Student Financial Aid Scheme; revise the regulations for annual reporting by higher education institutions; and provide institutional support, including capacity building and support to student leadership, councils and institutional forums.

Skills development

The Skills Development Amendment Act (1998), amended in December 2008, and the Skills Development Levy Act (1999) provide the framework for government's various skills development functions. Over the

medium term, the department will prioritise simplifying and improving the skills development system by: developing a performance monitoring and evaluation system of the sector education and training authorities; improving the provision and alignment of the support that the sector education and training authorities and the National Skills Fund give to universities and further education and training colleges; and strengthening the National Skills Authority to carry out its advisory role to the minister.

A new landscape for the sector education and training authorities, informed by both government's new growth path and the imperatives of the industrial policy action plan 2, has been designed. The new landscape will ensure a broad coverage of skills development in all key sectors of the economy and that each sector education and training authority corresponds with its relevant economic sector.

The National Skills Fund assists government to drive key skills strategies as well as meet the training needs of the unemployed and vulnerable groups. It will continue to promote strategic partnerships and innovation in skills development project delivery and to respond to national skills priorities and target gaps and complement resource shortages for national priorities. The objectives of the fund will be achieved within the overall framework of the national human resource development strategy for South Africa and the national skills development strategy III, announced in January 2011.

Outcomes and related outputs

The department's activities are linked to creating a skilled and capable workforce to support an inclusive growth path (outcome 5), of which the first of five outputs is to establish a credible institutional mechanism for skills planning (output 1). Work related to skills planning will focus on developing frameworks for career guidance services and for coordinated information on skills supply and demand in the country, culminating in an integrated information system for the higher education and training sector. The integrated system will include interfaces with the datasets of other departments such as the Department of Labour and the Department of Home Affairs. An implementation forum for the skills planning output that includes all delivery partners has been established. Outputs 2 and 3 relate to increasing access to skills development programmes at further education and training colleges, those run by the sector education and training authorities, and learnerships in the workplace. Output 4, which seeks to increase access to high level programmes, is being taken forward in a detailed enrolment planning exercise with all universities. The exercise will also focus on increased throughput at universities. Output 5, which deals with research, development and innovation, is being addressed in collaboration with the Department of Science and Technology.

Savings and cost effectiveness measures

The department has identified savings of R33.6 million in goods and services across all programmes and R15.7 million from reductions to transfers to departmental agencies over the MTEF period. These savings were reprioritised in the department to the further education and training colleges, and adult education and training examinations.

Additional Cabinet approved savings of R250.1 million were effected over the MTEF period by implementing cost saving measures, including: reducing government's contribution to the National Skills Fund by R75 million; reducing transfers to public entities by R9.6 million; and reducing spending on goods and services items by R98.9 million, and machinery and equipment by R14.4 million across all programmes.

Selected performance indicators

Table 17.1 Higher Education and Training

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of students enrolled in higher education institutions per year	University Education	761 100	783 900	837 779	816 400	866 000	890 000	914 000
Proportion of higher education enrolments in science, engineering and technology: business: humanities	University Education	28:30:42	30:31:39	28:29:43	30:33:37	28:29:43	28:29:43	29:30:41
Number of higher education graduates per year	University Education	126 900	133 000	144 852	141 900	146 000	148 467	152 690
Number of new artisans registered for training by sector education and training authorities	Skills Development	4 304	17 228	12 600	19 288	21 217	23 338	25 670
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	9 000	8 337	12 000	10 000	10 000	10 000	10 000

Expenditure estimates

Table 17.2 Higher Education and Training

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	68 702	84 586	103 272	122 673	122 673	161 580	174 722	185 846
Human Resource Development, Planning and Monitoring Coordination	27 104	27 075	29 407	26 651	26 651	33 819	35 156	37 223
University Education	13 240 955	15 413 025	17 152 769	19 540 336	19 540 336	23 429 499	26 076 470	27 844 488
Vocational and Continuing Education and Training	2 545 261	3 112 530	3 261 435	3 933 314	3 933 314	4 475 438	4 889 214	5 462 932
Skills Development	117 104	130 545	137 518	153 228	134 228	128 253	142 903	157 689
Subtotal	15 999 126	18 767 761	20 684 401	23 776 202	23 757 202	28 228 589	31 318 465	33 688 178
Direct charge against the National Revenue Fund	6 284 306	7 234 135	7 815 556	8 424 228	8 424 228	9 148 712	9 606 148	10 134 486
Sector education and training authorities	5 027 445	5 787 308	6 252 445	6 739 382	6 739 382	7 318 967	7 684 915	8 107 585
National Skills Fund	1 256 861	1 446 827	1 563 111	1 684 846	1 684 846	1 829 745	1 921 233	2 026 901
Total	22 283 432	26 001 896	28 499 957	32 200 430	32 181 430	37 377 301	40 924 613	43 822 664
Change to 2010 Budget estimate				55 504	36 504	2 123 991	3 462 336	4 299 962
Economic classification								
Current payments	273 855	318 741	332 654	403 233	388 733	455 825	514 406	554 543
Compensation of employees	146 229	174 819	201 753	251 625	249 625	301 521	334 140	359 717
Goods and services	127 626	143 922	130 901	151 608	139 108	154 304	180 266	194 826
<i>of which:</i>								
<i>Administrative fees</i>	818	214	105	2 305	305	77	141	213
<i>Advertising</i>	5 050	4 634	1 189	2 889	2 889	1 027	1 569	2 160
<i>Assets less than the capitalisation threshold</i>	1 825	1 268	929	1 372	1 272	1 524	1 598	1 786
<i>Audit cost: External</i>	1 517	1 788	2 551	6 093	6 093	7 000	7 411	7 511
<i>Bursaries: Employees</i>	121	119	161	193	193	212	222	223
<i>Catering: Departmental activities</i>	776	966	731	1 621	1 421	2 113	3 220	3 464
<i>Communication</i>	3 804	4 031	3 681	4 836	4 836	4 884	5 584	6 185
<i>Computer services</i>	23 295	20 043	16 729	21 718	20 418	27 381	28 920	29 906
<i>Consultants and professional services: Business and advisory services</i>	1 175	21 465	24 613	8 321	5 721	1 767	4 104	4 081
<i>Consultants and professional services: Legal costs</i>	-	-	-	413	413	25	-	-
<i>Contractors</i>	3 246	567	1 051	448	448	577	642	770
<i>Agency and support / outsourced services</i>	12 031	6 970	2 637	7 185	3 185	737	1 001	2 524

Table 17.2 Higher Education and Training (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Entertainment	187	223	49	188	188	188	199	211
Fleet services (including government motor transport)	752	751	247	1 038	1 038	861	1 027	1 145
Inventory: Food and food supplies	1 411	1 720	3 508	693	693	340	359	652
Inventory: Fuel, oil and gas	152	135	248	71	71	-	-	-
Inventory: Learner and teacher support material	-	-	2	801	801	25	-	-
Inventory: Materials and supplies	4 153	5 333	4 440	29	29	700	780	776
Inventory: Medical supplies	-	14	36	-	-	35	35	35
Inventory: Other consumables	584	670	1 316	604	604	1 405	1 013	1 265
Inventory: Stationery and printing	6 036	7 444	9 096	11 047	10 047	7 239	8 561	9 612
Lease payments	12 828	4 175	7 632	2 572	2 572	8 973	10 364	11 151
Property payments	1 770	10 567	10 944	26 870	26 870	45 098	49 561	53 241
Travel and subsistence	31 537	35 761	28 308	39 578	38 578	33 012	41 751	44 602
Training and development	2 357	1 704	1 491	2 416	2 416	1 097	1 104	1 090
Operating expenditure	7 465	7 623	6 254	4 504	4 504	6 225	8 763	9 346
Venues and facilities	4 736	5 737	2 953	3 803	3 503	1 782	2 337	2 877
Transfers and subsidies	21 988 267	25 678 145	28 146 465	31 786 128	31 786 128	36 913 361	40 402 241	43 261 199
Provinces and municipalities	2 435 281	3 005 826	3 155 276	3 803 958	3 803 958	4 325 989	4 705 088	5 262 388
Departmental agencies and accounts	7 606 855	8 872 316	9 690 021	10 462 840	10 462 840	13 232 206	14 941 728	16 057 341
Universities and technikons	11 941 539	13 797 403	15 297 180	17 516 740	17 516 740	19 352 723	20 752 860	21 938 767
Foreign governments and international organisations	2 129	2 255	2 183	2 329	2 329	2 443	2 565	2 703
Households	2 463	345	1 805	261	261	-	-	-
Payments for capital assets	4 879	4 907	20 735	11 069	6 569	8 115	7 966	6 922
Buildings and other fixed structures	-	643	1 862	-	-	-	-	-
Machinery and equipment	4 827	4 078	14 856	10 994	6 494	8 115	7 966	6 922
Software and other intangible assets	52	186	4 017	75	75	-	-	-
Payments for financial assets	16 431	103	103	-	-	-	-	-
Total	22 283 432	26 001 896	28 499 957	32 200 430	32 181 430	37 377 301	40 924 613	43 822 664

Expenditure trends

Spending over the medium term will focus on the *University Education* programme, which consists mainly of transfers to higher education institutions and the National Student Financial Aid Scheme.

Excluding direct charges against the National Revenue Fund, expenditure increased from R16 billion in 2007/08 to R23.8 billion in 2010/11, at an average annual rate of 14.1 per cent. Expenditure is expected to grow at an average annual rate of 12.3 per cent over the medium term to reach R33.7 billion in 2013/14. Increases for both periods were mainly due to increases in higher education subsidies, the National Student Financial Aid Scheme and the further education and training colleges conditional grant.

Spending on capital assets increased in 2009/10 by R15.8 million, mainly due to the costs of setting up the new department, which accounts for the 31.4 per cent increase in spending on this item between 2007/08 and 2010/11. Over the medium term, expenditure on capital assets is expected to decrease at an average annual rate of 14.5 per cent and will be primarily for maintenance of assets.

Spending is expected to grow from R32.2 billion in 2010/11 to R43.8 billion in 2013/14, at an average annual rate of 12.3 per cent. The growth is mainly due to additions to the further education and training colleges conditional grant and to the National Student Financial Aid Scheme as outlined below.

The department receives additional allocations over the MTEF period of R1.8 billion, R3 billion and R3.5 billion, excluding conditional grants, mainly for:

- the National Student Financial Aid Scheme for higher education, and further education and training college student awards and bursaries (R1.7 billion, R2.7 billion and R3.2 billion)
- National Student Financial Aid Scheme administration (R48 million, R51 million and R54 million)
- funding to establish universities in Mpumalanga and Northern Cape (R50 million, R100 million and R150 million)
- funding to allow the newly established department to attain full functionality (R44 million, R61.7 million and R73.4 million)
- further education and training colleges, and the adult education and training examination function (R39 million, R61.9 million and R71.2 million)
- funding for municipal and accommodation charges (R17 million, R20 million and R22 million)
- improved conditions of service (R8.3 million, R8.6 million and R8.9 million)
- the higher education HIV and AIDS programme (R5 million, R7 million and R9 million)
- additional funding for the further education and training colleges conditional grant for increased student enrolment (R250 million, R427 million and R749 million) and improved conditions of service for further education and training college personnel (R104 million, R109 million and R115 million).

The ratio of administrative costs to line function costs between 2007/08 and 2010/11 is 1:46 and is expected to grow to 1:62 over the MTEF period, which indicates that the department will be less reliant on consultants as more of its essential posts get filled.

Personnel information

The department currently has 757 funded posts and expects them to increase to 839 over the medium term as the newly established department becomes fully functional. There are currently no vacant funded posts.

The ratio of administration staff to line function staff is 1:2.6.

Departmental receipts

Table 17.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts	6 873	6 744	6 720	7 894	7 894	7 928	7 958	7 997
Sales of goods and services produced by department	694	834	728	2 540	2 540	2 680	2 814	2 954
Sales of scrap, waste, arms and other used current goods	–	28	60	14	14	15	16	17
Interest, dividends and rent on land	4 037	4 101	4 162	3 606	3 606	3 534	3 463	3 394
Sales of capital assets	12	–	–	–	–	–	–	–
Transactions in financial assets and liabilities	2 130	1 781	1 770	1 734	1 734	1 699	1 665	1 632
Total	6 873	6 744	6 720	7 894	7 894	7 928	7 958	7 997

The main revenue sources for the department are the repayments of government loans by higher education institutions, fees for technical examinations and revenue generated by the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments from fees for trade tests, boarding and rental. Departmental receipts of R7.9 million are expected for 2010/11 and are projected to increase to R8 million in 2013/14.

Programme 1: Administration

Expenditure estimates

Table 17.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Ministry ¹	10 214	10 583	14 852	16 520	24 544	26 648	28 972
Department Management	8 445	9 668	12 813	15 619	19 118	21 612	22 760
Corporate Services	41 084	54 723	64 229	64 983	73 802	77 990	82 076
Office Accommodation	8 959	9 612	11 378	25 551	44 116	48 472	52 038
Total	68 702	84 586	103 272	122 673	161 580	174 722	185 846
Change to 2010 Budget estimate				22 128	55 494	58 980	26 447

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

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Current payments	58 125	83 445	94 404	120 717	160 562	173 651	184 803
Compensation of employees	24 119	28 818	36 452	53 893	70 829	74 994	79 457
Goods and services	34 006	54 627	57 952	66 824	89 733	98 657	105 346
<i>of which:</i>							
Administrative fees	117	173	94	64	38	117	184
Advertising	2 380	1 458	640	1 475	978	1 329	1 750
Assets less than the capitalisation threshold	301	114	437	136	489	391	376
Audit cost: External	1 517	1 788	2 035	6 073	7 000	7 411	7 511
Bursaries: Employees	116	99	161	193	202	212	223
Catering: Departmental activities	79	57	65	176	206	204	237
Communication	1 203	1 303	1 241	1 786	1 601	1 812	1 945
Computer services	7 246	6 926	7 754	13 960	16 919	17 260	17 653
Consultants and professional services: Business and advisory services	736	19 875	20 404	396	210	684	760
Contractors	836	191	442	129	445	492	594
Agency and support / outsourced services	654	908	582	491	581	593	599
Entertainment	159	198	26	188	188	199	211
Fleet services (including government motor transport)	557	563	140	360	545	674	752
Inventory: Learner and teacher support material	-	-	-	469	25	-	-
Inventory: Materials and supplies	-	-	-	29	97	157	351
Inventory: Other consumables	-	-	-	222	380	604	597
Inventory: Stationery and printing	1 503	1 610	1 556	1 357	1 446	1 522	1 524
Lease payments	8 853	702	3 048	923	1 357	1 579	1 733
Property payments	670	9 982	9 593	25 889	44 135	48 497	52 067
Travel and subsistence	5 719	6 339	8 229	8 783	9 827	11 699	12 916
Training and development	404	223	255	2 323	1 000	1 000	1 000
Operating expenditure	782	1 918	1 081	1 140	1 464	1 516	1 608
Venues and facilities	174	200	169	262	600	705	755
Transfers and subsidies	734	179	1 214	399	150	158	167
Departmental agencies and accounts	65	60	76	141	150	158	167
Households	669	119	1 138	258	-	-	-
Payments for capital assets	1 414	962	7 654	1 557	868	913	876
Machinery and equipment	1 385	953	7 418	1 557	868	913	876
Software and other intangible assets	29	9	236	-	-	-	-
Payments for financial assets	8 429	-	-	-	-	-	-
Total	68 702	84 586	103 272	122 673	161 580	174 722	185 846

Table 17.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	65	60	76	141	150	158	167
Claims against the state	22	5	2	-	-	-	-
Education, Training and Development Practices Sector Education and Training Authority	43	55	74	141	150	158	167
Households							
Households social benefits							
Current	669	119	1 138	258	-	-	-
Employee social benefits	669	119	1 138	258	-	-	-

Expenditure trends

Expenditure increased at an average annual rate of 21.3 per cent, from R68.7 million in 2007/08 to R122.7 million in 2010/11, mainly due to the additional personnel, goods and services, and capital costs required for the establishment of a new department. Expenditure is expected to continue increasing over the medium term, at an average annual rate of 14.9 per cent, to reach R185.8 million in 2013/14. The increase is mainly due to the provision for the newly appointed deputy minister, which accounts for spending in the *Ministry* subprogramme growing at a projected average annual rate of 20.6 per cent over the medium term.

Programme 2: Human Resource Development, Planning and Monitoring Coordination

- *Programme Management: Human Resource Development, Planning and Monitoring Coordination* manages delegated administrative and financial responsibilities and coordinates all monitoring and evaluation functions. This subprogramme has a staff complement of 3 and its full budget is used for compensation of employees and related costs.
- *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. This subprogramme has a staff complement of 15 and the bulk of its budget is used for projects, compensation of employees and other personnel related costs. The Human Resource Development Council was launched in March 2010 and by September 2010, 3 meetings had been held. Cabinet approved the restructured human resource development strategy for South Africa in September 2010, to be pursued over the medium term, on condition that the strategy be amended to: target labour absorbing activities; identify targets associated with the various commitments on these activities; specify the latest statistics on unemployed youth; and include all sectors identified in the industrial policy action plan.
- *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, plans and legislation are developed into well functioning systems through the ongoing monitoring of the implementation of policies, plans and legislation. This subprogramme has a staff complement of 16 and the bulk of its budget is used for compensation of employees and other related personnel costs. In 2010/11, an analysis of the current systems of the department and its entities was undertaken and information system gaps have been identified. An integrated higher education management information system will also be completed over the MTEF period.
- *International Relations* develops and promotes international relations and supports the United Nations Educational, Scientific and Cultural Organisation in the higher education subsystem. It also manages, monitors and reports on international donor grant funding. This subprogramme has a staff complement of

13 and the bulk of its budget is used for international delegations hosted by the minister, transfers to the Commonwealth of Learning and the India-Brazil-South Africa trilateral commission, compensation of employees and other related personnel costs. In 2010/11, the department was represented at various international forums including: the United Nations Educational, Scientific and Cultural Organisation's national commission; an extra-ordinary meeting of Southern African Development Community (SADC) ministers responsible for education, and science and technology; the Association for the Development of Education in Africa's triennial on education and training; and on various binational and joint commissions.

- *Legal and Legislative Services* manages the legal and legislative services of the department and supports provincial education departments, sector education and training authorities and the National Skills Fund on legal and legislative matters. This subprogramme has a staff complement of 11 and the bulk of its budget is used for compensation of employees and other personnel related costs. Outputs over the medium term include providing legal advice and managing any litigation, drafting regulations and legislation such as that which may be required to facilitate the shifting of the further education and training college function from provinces to the department, and managing and reporting on the statutory obligations relating to human rights.
- *Social Inclusion in Education* promotes access to and participation by all learners in higher education and training programmes, manages the development, evaluation and maintenance of policy, programmes and systems for learners with special needs; and monitors the implementation of policies. This subprogramme has a staff complement of 6 and the bulk of its budget is used for compensation of employees and other related personnel costs. Outputs over the medium term include compiling a report on the state of transformation in higher education and training, a plan for the development of effective and coherent career guidance services for the higher education and training sector, and a review to identify successful inclusion programmes in institutions of higher learning.

Objectives and measures

- Increase the economy's ability 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 2012.
- 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 2012.
- Improve access, equity and the quality of the education and training sector by:
 - compiling a monitoring and evaluation report on the education and training system and developing a sector plan for the system by March 2012
 - establishing a social inclusion, equity and transformation unit to serve all the sub-systems in the higher education and training landscape by March 2014.

Expenditure estimates

Table 17.5 Human Resource Development, Planning and Monitoring Coordination

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Programme Management: Human Resource Development, Planning and Monitoring Coordination	628	765	836	1 939	2 391	2 532	2 659
Human Resource Development, Strategic Planning and Coordination	3 650	4 226	4 412	6 021	6 654	7 106	7 557
Planning, Information, Monitoring and Evaluation Coordination	5 456	6 943	7 380	5 156	6 566	6 983	7 420
International Relations	10 429	6 906	7 561	7 427	10 066	9 661	10 136
Legal and Legislative Services	2 277	2 988	3 984	3 867	4 836	5 353	5 698
Social Inclusion in Education	4 664	5 247	5 234	2 241	3 306	3 521	3 753
Total	27 104	27 075	29 407	26 651	33 819	35 156	37 223
Change to 2010 Budget estimate				647	5 025	3 282	(5 451)

Table 17.5 Human Resource Development, Planning and Monitoring Coordination (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	24 526	24 417	26 529	24 072	31 160	32 402	34 324
Compensation of employees	12 406	15 580	19 069	18 970	26 590	28 208	29 780
Goods and services	12 120	8 837	7 460	5 102	4 570	4 194	4 544
<i>of which:</i>							
<i>Administrative fees</i>	12	24	4	4	9	1	1
<i>Advertising</i>	662	983	60	107	14	-	-
<i>Assets less than the capitalisation threshold</i>	224	40	17	79	58	60	44
<i>Catering: Departmental activities</i>	62	57	57	118	135	181	217
<i>Communication</i>	268	283	297	369	508	538	574
<i>Computer services</i>	43	85	1 184	576	340	367	371
<i>Consultants and professional services: Business and advisory services</i>	433	329	806	189	145	348	333
<i>Consultants and professional services: Legal costs</i>	-	-	-	413	-	-	-
<i>Contractors</i>	163	12	23	4	3	3	-
<i>Agency and support / outsourced services</i>	2 344	2 622	1 821	4	52	62	55
<i>Fleet services (including government motor transport)</i>	23	31	5	82	10	12	11
<i>Inventory: Stationery and printing</i>	400	270	328	607	353	364	568
<i>Lease payments</i>	640	83	142	3	-	-	-
<i>Property payments</i>	10	12	3	6	-	-	-
<i>Travel and subsistence</i>	4 606	3 364	2 274	2 194	2 460	1 929	1 994
<i>Training and development</i>	68	8	4	-	19	22	13
<i>Operating expenditure</i>	674	277	218	133	177	218	262
<i>Venues and facilities</i>	1 488	357	217	214	287	89	101
Transfers and subsidies	2 129	2 350	2 737	2 329	2 443	2 565	2 703
Departmental agencies and accounts	-	17	4	-	-	-	-
Foreign governments and international organisations	2 129	2 255	2 183	2 329	2 443	2 565	2 703
Households	-	78	550	-	-	-	-
Payments for capital assets	421	286	133	250	216	189	196
Machinery and equipment	399	144	114	175	216	189	196
Software and other intangible assets	22	142	19	75	-	-	-
Payments for financial assets	28	22	8	-	-	-	-
Total	27 104	27 075	29 407	26 651	33 819	35 156	37 223
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	-	17	4	-	-	-	-
Claims against the state	-	17	4	-	-	-	-
Households							
Households social benefits							
Current	-	78	550	-	-	-	-
Employee social benefits	-	78	550	-	-	-	-
Foreign governments and international organisations							
Current	2 129	2 255	2 183	2 329	2 443	2 565	2 703
Commonwealth of Learning	1 779	1 865	1 818	1 901	2 015	2 116	2 232
Indian-Brazil-South Africa Trilateral Commission	350	390	365	428	428	449	471

Expenditure trends

The spending focus over the medium term will be on implementing the activities in the national human resources development strategy and facilitating the integration of all education information systems.

Expenditure is expected to increase at an average annual rate of 11.8 per cent over the medium term to reach R37.2 million. The increase is due: to additional personnel for the *Human Resource Development, Strategic Planning and Monitoring Coordination* programme to facilitate the human resources and development strategy for South Africa entrusted to the department; and for the *Planning, Information, Monitoring and Evaluation Coordination* subprogramme to establish and strengthen the systems required to develop an integrated information system for the higher education and training sector.

The fluctuating trend in expenditure in the *International Relations* subprogramme over the seven-year period is due to the varying number of annual international events attended or hosted by the minister. This variation is also reflected in expenditure on goods and services, which increased to R12.1 million in 2007/08, mainly as a result of hosting the third conference of African ministers of education in August 2007, but which decreased thereafter to R5.1 million in 2010/11, at an average annual rate of 25.1 per cent. The average ratio of administration to line function costs is 1:13 over the MTEF period.

Programme 3: University Education

- *Programme Management: University Education* manages delegated administrative and financial responsibilities and coordinates all monitoring and evaluation functions. This subprogramme has a staff complement of 3 and the bulk of its budget is used for compensation of employees and personnel related costs.
- *University - Academic Planning and Management* plans and monitors the university system by analysing institutional and national plans and by maintaining programmes and qualification combinations. This subprogramme has a staff complement of 23 and the bulk of its budget is used for transfers to the National Student Financial Aid Scheme, the Council on Higher Education and the South African Qualifications Authority. In 2010/11, R129 million and R430 million were released to universities for the research development grant and the teaching development grant. In 2010/11 and 2011/12, R3.3 billion is allocated to universities for infrastructure development. This, together with universities' own R2.2 billion investments, will bring the total investment on infrastructure to R5.5 billion over the two-year period. Other outputs over the medium term include developing a framework for increased enrolment, throughput and graduates in scarce and critical skills with an initial focus on the health and animal sciences, natural and physical sciences, engineering sciences and teacher education.
- *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 system. This subprogramme has a staff complement of 10 and the bulk of its budget is used for projects, compensation of employees and other personnel related costs. Most of the plans for the clinical training grant for 2010/11 and 2011/12 have been approved and funding was released to universities based on satisfactory progress reports. In May 2010, the health sciences review committee issued a report on the health professions training and development grant to the minister. Outputs over the medium term include a new policy framework for funding health sciences professionals' clinical training, and reviewing the higher education management information system.
- *University - Policy and Development* regulates private university institutions and provides policy support for the development of universities. This subprogramme has a staff complement of 27 and the bulk of its budget is used for projects, compensation of employees and other personnel related costs. In August 2010, research publications by all 23 public higher education institutions in the form of books and conference proceedings were evaluated and awarded credits. Outputs over the medium term include implementing improvements to the research outputs policy, reporting on the first phase of the university transformation indicators monitoring process, and an operational private higher education institutions data management system.

- *Teacher Education* develops and monitors the implementation of policy, systems and programmes to ensure quality teacher education and training for producing and supporting teachers. This includes providing teachers for the schooling sector, practitioners for the early childhood development and adult education and training sectors, and lecturers for universities and colleges. This subprogramme has a staff complement of 17 and the bulk of its budget is used for compensation of employees and other personnel related costs. In 2010/11, a comprehensive teacher education plan was developed, preparatory work for taking forward the foundation phase teacher education project was completed, and a teacher education policy for public comment was finalised. Outputs over the medium term include finalising a policy on teacher education qualifications, developing a new teacher education and development plan for implementation in 2011/12, and developing a policy on further education and training lecturer qualifications.
- *University Subsidies* transfers payments to universities. The bulk of this subprogramme's budget is used for unconditional block grant transfers, which are divided among all 23 universities and are based on research outputs, teaching inputs and outputs, and contextual factors, such as the number of disadvantaged students enrolled at an 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 the grants will be based on progress reports in these areas in relation to approved project plans submitted by institutions.
- Improve the governance of universities through ongoing technical support to university councils and other university constituencies and through 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 (in the short term), and then by planning the operationalisation of these universities over the medium term.
- 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 institutions to 18 institutions in 2011/12
 - increasing the intake of foundation phase teacher education students by 10 per cent each year.

Expenditure estimates

Table 17.6 University Education

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand							
Programme Management: University Education	1 970	3 317	2 801	1 582	2 190	2 302	2 418
University - Academic Planning and Management	1 286 058	1 598 675	1 837 121	1 999 353	4 045 075	5 288 133	5 866 479
University - Financial Planning and Information Systems	2 545	1 966	2 601	4 867	6 687	7 075	7 300
University - Policy and Development	8 484	10 538	11 992	12 190	15 601	18 409	21 371
Teacher Education	359	1 126	1 074	5 604	7 223	7 691	8 153
University Subsidies	11 941 539	13 797 403	15 297 180	17 516 740	19 352 723	20 752 860	21 938 767
Total	13 240 955	15 413 025	17 152 769	19 540 336	23 429 499	26 076 470	27 844 488
Change to 2010 Budget estimate				5 648	1 791 462	2 913 321	3 353 989

Table 17.6 University Education (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	21 462	24 321	29 800	36 665	41 367	45 901	50 203
Compensation of employees	14 858	17 271	21 887	29 004	32 866	34 864	36 684
Goods and services	6 604	7 050	7 913	7 661	8 501	11 037	13 519
<i>of which:</i>							
Administrative fees	2	–	2	20	20	23	28
Advertising	416	1 011	359	228	20	50	215
Assets less than the capitalisation threshold	120	55	34	38	77	59	68
Bursaries: Employees	–	11	–	–	–	–	–
Catering: Departmental activities	51	48	41	84	241	279	328
Communication	293	280	328	512	657	707	741
Computer services	3	62	–	505	841	854	854
Consultants and professional services: Business and advisory services	2	571	1 952	992	1 169	2 663	2 643
Contractors	95	4	119	65	4	5	6
Agency and support / outsourced services	1 227	842	84	25	24	41	1 465
Fleet services (including government motor transport)	40	28	6	57	272	299	336
Inventory: Stationery and printing	205	189	327	397	547	711	800
Lease payments	33	40	53	78	30	31	32
Property payments	11	16	11	18	69	49	53
Travel and subsistence	3 137	3 586	3 721	3 924	3 275	3 640	4 146
Training and development	–	8	329	83	64	68	73
Operating expenditure	700	74	41	342	878	1 159	1 284
Venues and facilities	269	225	506	293	313	399	447
Transfers and subsidies	13 219 224	15 388 552	17 122 640	19 503 480	23 387 779	26 030 393	27 794 065
Departmental agencies and accounts	1 277 685	1 591 149	1 825 433	1 986 740	4 035 056	5 277 533	5 855 298
Universities and technikons	11 941 539	13 797 403	15 297 180	17 516 740	19 352 723	20 752 860	21 938 767
Households	–	–	27	–	–	–	–
Payments for capital assets	269	147	325	191	353	176	220
Machinery and equipment	269	143	325	191	353	176	220
Software and other intangible assets	–	4	–	–	–	–	–
Payments for financial assets	–	5	4	–	–	–	–
Total	13 240 955	15 413 025	17 152 769	19 540 336	23 429 499	26 076 470	27 844 488
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	1277 685	1591 149	1825 433	1986 740	4035 056	5277 533	5855 298
Claims against the state	–	–	24	–	–	–	–
National Student Financial Aid Scheme	1 212 697	1 522 375	1 744 668	1 909 359	3 956 849	5 194 690	5 768 330
Council on Higher Education	29 297	31 208	41 661	36 046	36 772	39 237	40 832
South African Qualifications Authority	35 691	37 566	39 080	41 335	41 435	43 606	46 136
Households							
Households social benefits							
Current	–	–	27	–	–	–	–
Employee social benefits	–	–	27	–	–	–	–
Universities and technikons							
Current	11864 016	13742 647	15257 981	17484 740	19333 086	20735 860	21924 767
University subsidies	11 864 016	13 742 647	15 257 981	17 484 740	19 333 086	20 735 860	21 924 767
Capital	77 523	54 756	39 199	32 000	19 637	17 000	14 000
University subsidies	77 523	54 756	39 199	32 000	19 637	17 000	14 000

Expenditure trends

The spending focus over the medium term will be on improving access and performance at universities through targeted interventions, including providing specific purpose grants and establishing universities in Northern Cape and Mpumalanga.

Expenditure grew from R13.2 billion in 2007/08 to R19.5 billion in 2010/11, at an average annual rate of 13.9 per cent, and is expected to increase at an average annual rate of 12.5 per cent over the medium term to reach R27.8 billion. The increase in both periods is due to the increase in funding for the National Student Financial Aid Scheme and transfers to universities. Transfer payments to higher education institutions are the programme's largest spending item and are expected to increase at an average annual rate of 7.8 per cent over the MTEF period. The increased transfers will support: renewing infrastructure and academic programmes in institutions to improve their graduate outputs, particularly in scarce and critical skill domains such as engineering, and other science and technology fields; and improving the efficiency and quality of teaching services at institutions.

Expenditure in the *University - Financial Planning and Information Systems* subprogramme is expected to grow by R2.3 million over the MTEF period, at an average annual rate of 14.5 per cent. The increase is due to the expansion of support to universities and other related activities over the medium term.

Over the MTEF period, an average of 19.2 per cent of programme expenditure is for transfers to the National Student Financial Aid Scheme for student loans and operations. These transfer payments are expected to increase at an average annual rate of 44.5 per cent over the medium term to reach R5.8 billion in 2013/14. The increase is attributable to additional funding for university and further education and training college student awards, as well as increased funding for the administration costs of the National Student Financial Aid Scheme.

The average ratio of administration to line function costs over the MTEF period is 1:20.

Programme 4: Vocational and Continuing Education and Training

- *Programme Management: Vocational and Continuing Education and Training* manages delegated administrative and financial responsibilities and coordinates all monitoring and evaluation functions. The programme has a staff complement of 3 and the bulk of this subprogramme's budget is used for compensation of employees and other related costs.
- *Planning and Institutional Support* provides the framework, coordination of and support to further education and training colleges for managing, governing and delivering vocational and occupational programmes, and manages the further education and training conditional grant to provinces. It also regulates the provision of education and training by private education institutions in the further education and training band of the national qualifications framework. This subprogramme has a staff complement of 33 and the bulk of its budget is used for transfers to the 50 further education and training colleges for their operational expenditure. In 2010, operational planning workshops for further education and training colleges were conducted in all provinces, an annual reporting tool for private education institutions was developed and dispatched to 269 private colleges, and all public further education and training colleges and provincial education departments were trained on the department's bursary schemes. Outputs over the medium term include an initial report on implementing the national funding norms for further education and training colleges, draft amendments to national funding norms for further education and training colleges, and a ministerial gazette determining the implementation date of the national funding norms for adult learning centres.
- *Programmes and Qualifications* develops and maintains vocational education and training programmes, provides for implementing the student support services framework, and provides leadership and support for training and developing lecturers. This programme has a staff complement of 143 and the bulk of its budget is used for costs related to setting national site based assessment tasks and examination question papers including accommodation, travel, subsistence, and fees for setting, moderating and translating question papers. In August 2010, a national materials development workshop for adult education and training practitioners was held, which focused on level 4 mathematical literacy, mathematical sciences, communication and life orientation. Outputs over the medium term include interventions to address

students' academic performance, increased programme choices, governance and leadership at colleges, and setting and delivering question papers and site based assessment tasks for further education and training colleges.

Objectives and measures

- Ensure the continued relevance of further education and training college programmes by reviewing and changing programmes through consultation with relevant role players over the MTEF period.
- Improve the quality of the delivery of programmes at further education and training colleges by coordinating the training and support of lecturers over the MTEF period.
- Ensure quality education provision by private further education and training institutions by regulating the programmes offered by these institutions over the MTEF period.
- Increase the youth and adult participation, retention and throughput rates in 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.

Expenditure estimates

Table 17.7 Vocational and Continuing Education and Training

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand							
Programme Management: Vocational and Continuing Education and Training	1 854	2 210	835	637	1 704	1 802	1 888
Planning and Institutional Support	2 459 237	3 015 648	3 165 459	3 816 759	4 340 332	4 720 521	5 278 686
Programmes and Qualifications	84 170	94 672	95 141	115 918	133 402	166 891	182 358
Total	2 545 261	3 112 530	3 261 435	3 933 314	4 475 438	4 889 214	5 462 932
Change to 2010 Budget estimate				42 131	331 240	537 437	942 165
Economic classification							
Current payments	100 654	106 167	102 053	129 002	149 008	183 464	199 774
Compensation of employees	47 911	63 057	66 860	83 298	106 949	127 770	141 961
Goods and services	52 743	43 110	35 193	45 704	42 059	55 694	57 813
<i>of which:</i>							
Administrative fees	188	17	2	2	-	-	-
Advertising	540	386	121	416	15	20	25
Assets less than the capitalisation threshold	287	79	47	47	82	122	129
Catering: Departmental activities	210	461	301	465	1 244	2 033	2 150
Communication	1 279	1 296	934	1 052	1 047	1 544	1 642
Computer services	16 003	5 593	7 305	8 127	9 011	10 174	10 683
Consultants and professional services: Business and advisory services	-	221	156	4 109	218	249	274
Contractors	1 706	39	273	16	33	34	39
Agency and support / outsourced services	6 913	2 454	71	-	-	-	-
Fleet services (including government motor transport)	132	129	96	421	4	7	7
Inventory: Learner and teacher support material	-	-	2	332	-	-	-
Inventory: Materials and supplies	-	-	12	-	-	-	-
Inventory: Other consumables	-	-	14	6	-	-	-
Inventory: Stationery and printing	2 447	3 292	5 158	3 861	4 431	5 426	5 785
Lease payments	2 899	2 892	3 922	988	6 516	7 465	7 820
Property payments	8	25	28	32	28	26	30
Travel and subsistence	14 631	18 099	11 535	22 479	15 742	22 306	22 490
Training and development	1	429	-	-	4	4	4
Operating expenditure	5 113	5 144	4 543	2 030	3 525	5 627	5 909
Venues and facilities	386	2 554	673	1 321	159	657	826

Table 17.7 Vocational and Continuing Education and Training (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Transfers and subsidies	2 435 850	3 005 860	3 155 288	3 803 958	4 325 989	4 705 088	5 262 388
Provinces and municipalities	2 435 281	3 005 826	3 155 276	3 803 958	4 325 989	4 705 088	5 262 388
Departmental agencies and accounts	-	6	1	-	-	-	-
Households	569	28	11	-	-	-	-
Payments for capital assets	783	427	4 003	354	441	662	770
Machinery and equipment	782	396	241	354	441	662	770
Software and other intangible assets	1	31	3 762	-	-	-	-
Payments for financial assets	7 974	76	91	-	-	-	-
Total	2 545 261	3 112 530	3 261 435	3 933 314	4 475 438	4 889 214	5 462 932
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	-	6	1	-	-	-	-
Claims against the state	-	6	1	-	-	-	-
Households							
Households social benefits							
Current	569	28	11	-	-	-	-
Employee social benefits	569	28	11	-	-	-	-
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	2 435 281	3 005 826	3 155 276	3 803 958	4 325 989	4 705 088	5 262 388
Further Education and Training Colleges Grant	1 804 191	2 210 656	3 155 276	3 803 958	4 325 989	4 705 088	5 262 388
Further Education and Training Colleges Sector Recapitalisation Grant	631 090	795 170	-	-	-	-	-

Expenditure trends

The spending focus over the medium term will be on continuing to support the delivery of programmes at further education and training colleges.

Expenditure increased at an average annual rate of 15.6 per cent, from R2.5 billion in 2007/08 to R3.9 billion in 2010/11. Expenditure is expected to increase over the medium term at an average annual rate of 11.5 per cent to reach R5.5 billion. The increase in both periods is mainly due to the additional allocations to the further education and training colleges conditional grant to allow for increased enrolment at these colleges. Spending in the *Planning and Institutional Support* subprogramme is expected to increase at an average annual rate of 11.4 per cent, from R3.8 billion to R5.3 billion over the MTEF period, mainly to carry out the necessary oversight required for the conditional grant.

The expenditure on the *Programmes and Qualifications* subprogramme is expected to grow from R115.9 million in 2010/11 to R182.4 million in 2013/14, at an average annual rate of 16.3 per cent to ensure that the department is able to meet its responsibilities for setting up and implementing the further education and training colleges, and adult education and training examinations.

The average ratio of administration to line function costs over the MTEF period 1:94.

Programme 5: Skills Development

- *Programme Management: Skills Development* manages delegated administrative and financial responsibilities and coordinates all monitoring and evaluation functions. This subprogramme has a staff complement of 5 and the bulk of its budget is used for compensation of employees and other personnel related costs.

- *SETA Coordination* supports, monitors and reports on the implementation of the national skills development strategy at sectoral level. This is done by establishing and managing the performance of service level agreements with sector education and training authorities. This subprogramme also manages and coordinates national artisan development and specialised technical training. This subprogramme has a staff complement of 263 and the bulk of its budget is used for compensation of employees and other personnel related costs. A key focus over the medium term will be improving the coordination of key objectives within the programme for sector education and training authority support and performance management.
- *National Skills Development Services* transfers funds to the National Skills Fund, manages projects identified in the national skills development strategy, and advises the minister on national skills development policy and strategy. This subprogramme has a staff complement of 9. In 2010/11, the National Skills Fund implemented projects contributing to the second national skills development strategy. These projects include the Career Help Line project, which was implemented by the South African Qualifications Authority, and a research project to establish a charter for the humanities. Between August and November 2010, the National Skills Authority, an advisory body to the minister on issues related to skills development, tabled its recommendations on restructuring the sector education and training authority landscape. In January 2011, the minister announced the third national skills development strategy, which will charter the way forward for skills development over the next 5 years.
- *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. This subprogramme has a staff complement of 12. Funds will be transferred to the council in 2011/12. The council, which was launched on 1 April 2010, is responsible for standards generation and quality assurance of all work based qualifications from national qualifications framework level 1 to 10.

Objectives and measures

- Improve skills development planning and matching by securing the adoption of the third national skills development strategy by all employers (government and private sector) and its alignment with the human resource development strategy for South Africa by March 2012.
- Improve the skill levels of workers by aligning the work of the sector education and training authorities and the National Skills Fund to the targets contained in the third national skills development strategy over the MTEF period.
- Ensure that skills development objectives are achieved by annually monitoring and evaluating the delivery of targets contained in the national skills development strategy II and III.
- Improve the development of relevant skills by restructuring the sector education and training authority landscape to enhance the performance of the authorities over the medium term.

Expenditure estimates

Table 17.8 Skills Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand							
Programme Management: Skills Development	-	-	-	623	3 537	3 749	3 943
SETA Coordination	55 875	65 054	75 662	70 724	71 801	75 166	79 270
National Skills Development Services	60 431	63 696	60 574	62 140	34 528	43 995	53 441
Quality Development and Promotion	798	1 795	1 282	19 741	18 387	19 993	21 035
Total	117 104	130 545	137 518	153 228	128 253	142 903	157 689
Change to 2010 Budget estimate				(15 050)	(59 230)	(50 684)	(17 188)
Economic classification							
Current payments	69 088	80 391	79 868	92 777	73 728	78 988	85 439
Compensation of employees	46 935	50 093	57 485	66 460	64 287	68 304	71 835
Goods and services	22 153	30 298	22 383	26 317	9 441	10 684	13 604
of which:							
Administrative fees	499	-	3	2 215	10	-	-
Advertising	1 052	796	9	663	-	170	170

Table 17.8 Skills Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Current payments							
<i>Assets less than the capitalisation threshold</i>	893	980	394	1 072	818	966	1 169
<i>Audit cost: External</i>	–	–	516	20	–	–	–
<i>Bursaries: Employees</i>	5	9	–	–	10	10	–
<i>Catering: Departmental activities</i>	374	343	267	778	287	523	532
<i>Communication</i>	761	869	881	1 117	1 071	983	1 283
<i>Computer services</i>	–	7 377	486	(1 450)	270	265	345
<i>Consultants and professional services: Business and advisory services</i>	4	469	1 295	2 635	25	160	71
<i>Consultants and professional services: Legal costs</i>	–	–	–	–	25	–	–
<i>Contractors</i>	446	321	194	234	92	108	131
<i>Agency and support / outsourced services</i>	893	144	79	6 665	80	305	405
<i>Entertainment</i>	28	25	23	–	–	–	–
<i>Fleet services (including government motor transport)</i>	–	–	–	118	30	35	39
<i>Inventory: Food and food supplies</i>	1 411	1 720	3 508	693	340	359	652
<i>Inventory: Fuel, oil and gas</i>	152	135	248	71	–	–	–
<i>Inventory: Materials and supplies</i>	4 153	5 333	4 428	–	603	623	425
<i>Inventory: Medical supplies</i>	–	14	36	–	35	35	35
<i>Inventory: Other consumables</i>	584	670	1 302	376	1 025	409	668
<i>Inventory: Stationery and printing</i>	1 481	2 083	1 727	4 825	462	538	935
<i>Lease payments</i>	403	458	467	580	1 070	1 289	1 566
<i>Property payments</i>	1 071	532	1 309	925	866	989	1 091
<i>Travel and subsistence</i>	3 444	4 373	2 549	2 198	1 708	2 177	3 056
<i>Training and development</i>	1 884	1 036	903	10	10	10	–
<i>Operating expenditure</i>	196	210	371	859	181	243	283
<i>Venues and facilities</i>	2 419	2 401	1 388	1 713	423	487	748
Transfers and subsidies	46 024	47 069	49 030	51 734	48 288	57 889	67 390
Departmental agencies and accounts	44 799	46 949	48 951	51 731	48 288	57 889	67 390
Households	1 225	120	79	3	–	–	–
Payments for capital assets	1 992	3 085	8 620	8 717	6 237	6 026	4 860
Buildings and other fixed structures	–	643	1 862	–	–	–	–
Machinery and equipment	1 992	2 442	6 758	8 717	6 237	6 026	4 860
Total	117 104	130 545	137 518	153 228	128 253	142 903	157 689
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	44 799	46 949	48 951	51 731	48 288	57 889	67 390
National Skills Fund	44 799	46 949	48 951	51 731	29 901	37 896	46 355
Quality Council for Trades and Occupations	–	–	–	–	18 387	19 993	21 035
Households							
Households social benefits							
Current	1 225	120	79	3	–	–	–
Resignation packages	1 225	120	79	3	–	–	–

Expenditure trends

Over the medium term, the spending focus will be on facilitating the achievement of the goals set in the national skills development strategy.

Expenditure increased at an average annual rate of 9.4 per cent, from R117.1 million in 2007/08 to R153.2 million in 2010/11, mainly due to the establishment of the Quality Council for Trades and Occupations. Expenditure is expected to increase to R157.7 million over the medium term, at an average annual rate of 1.1 per cent.

Payments for capital assets increased by R5.5 million in 2009/10 due to upgrading buildings and security systems at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments. Spending on current payments is expected to decrease by R19 million in 2011/12, as funds allocated for the Quality Council for Trades and Occupations will be classified as a transfer payment when the council is listed as a public entity.

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 national skills development strategy.

The average ratio of administration to line function costs is 1:24 over the 2011 MTEF period.

Public entities and other agencies

National Student Financial Aid Scheme

Strategic overview: 2007/08 – 2013/14

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 scheme also advises the minister on student financial aid in general, and performs other functions assigned to it by the minister.

Over the medium term, the scheme will be restructured based on the recommendations from a 2009/10 review conducted of the organisation and its operations, including the strengthening of the scheme's financial and information technology oversight capacity.

Savings and cost effectiveness measures

The scheme has identified savings over the medium term as a result of the decision to fix the interest rate on outstanding debtor accounts on 1 April each year. This reduced printing, postage and other costs related to mailing debtor account statements, which are now sent quarterly instead of every time interest rates change. Savings have also been identified over the medium term from using electronic loan agreement forms to reduce printing, courier and data capturing costs, and to improve turnaround times. The initiative is expected to start delivering savings from 2011/12 onwards.

Selected performance indicators

Table 17.9 National Student Financial Aid Scheme

Indicator	Description	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of students assisted in higher education per year ¹	Student Loans - HEIs	113 519	118 450	135 208	187 500	198 750	208 680	219 000
Pass rate (number of courses passed by loan recipients) ²	Student Bursaries - HEIs	75%	77%	74%	75%	75%	75%	75%
Funds recovered from previous loan recipients per year	Student Loans - HEIs	R479 million	R556 million	R636 million	R577 million	R801 million	R842 million	R932 million
Total number of Funza Lushaka bursary recipients ³	Student Bursaries - HEI's	3 669	5 190	9 192	10 150	8 517	11 717	15 217
Total number of further education and training bursary recipients	Student Bursaries - FET Colleges	12 283	35 352	55 173	62 500	160 000	226 000	259 000

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.

Details of programmes/activities/objectives

Table 17.10 National Student Financial Aid Scheme

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Student Bursaries - HEI's	612 415	855 708	1 277 598	1 603 713	1 641 494	1 757 298	1 871 523
Student Bursaries - FET Colleges	65 340	218 971	310 520	315 000	337 080	353 934	371 630
Administration and operating expenses	263 268	396 330	1 123 632	262 771	446 486	701 719	906 497
Total expense	941 023	1 471 009	2 711 750	2 181 484	2 425 060	2 812 951	3 149 650

The scheme administers and allocates loans and bursaries to eligible students, and develops criteria and conditions for granting loans and bursaries. Loan repayments increased from R556 million in 2008/09 to R636 million in 2009/10 as the scheme improved its debt recovery and collection strategy. The number of students assisted through bursaries and loans increased by 19.1 per cent, from 113 519 in 2007/08 to 135 208 in 2009/10. In 2010/11, this is expected to increase by 39 per cent to 187 500 students. The growth is expected to continue over the medium term, resulting in awards being given to 450 674 students by 2013/14.

Expenditure estimates

Table 17.11 National Student Financial Aid Scheme

Statement of financial performance							
R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	411 458	590 231	298 876	451 835	497 018	546 720	601 393
<i>Interest on investments and student loans</i>	411 458	590 231	298 876	451 835	497 018	546 720	601 393
Transfers received	1 507 051	1 969 080	2 568 867	2 848 719	4 734 130	6 213 531	7 026 862
Total revenue	1 918 509	2 559 311	2 867 743	3 300 554	5 231 148	6 760 251	7 628 255
Expenses							
Current expense	263 268	42 945	53 359	76 660	76 302	81 926	86 589
Compensation of employees	13 111	16 757	18 734	24 750	33 960	37 475	39 631
Goods and services	250 794	25 117	31 431	49 495	39 230	40 514	42 783
Depreciation	(637)	1 071	3 191	2 414	3 112	3 937	4 175
Interest, dividends and rent on land	-	-	3	-	-	-	-
Transfers and subsidies	677 755	1 428 064	2 658 391	2 104 825	2 348 758	2 731 025	3 063 061
Total expenses	941 023	1 471 009	2 711 750	2 181 485	2 425 060	2 812 951	3 149 650
Surplus / (Deficit)	977 486	1 088 302	155 993	1 119 069	2 806 088	3 947 300	4 478 605

Expenditure trends

The National Student Financial Aid Scheme generates revenue mainly from transfers by the Department of Higher Education and Training. The transfers are expected to be R4.7 billion in 2011/12, R6.2 billion in 2012/13 and R7 billion in 2013/14, and include allocations for university loans and further education and training college bursaries (R1.6 billion, R2 billion and R2.1 billion). The scheme also receives transfers from the Department of Basic Education for the Funza Lushaka bursaries (R449.4 million, R671.9 million, R893.9 million) for prospective teachers.

Expenditure increased from R941 million in 2007/08 to R2.2 billion in 2010/11, at an average annual rate of 32.3 per cent, mainly due to additions for university and further and training college loans and bursaries.

Expenditure is expected to increase from R2.2 billion to R3.1 billion over the medium term, at an average annual rate of 13 per cent, due to the increased allocation of funds for student bursaries (further education and training, and Funza Lushaka programmes) and loans. Despite the significant growth in student loans and bursary awards, administrative expenditure is expected to increase by 4.1 per cent from R76.7 million in 2010/11 to R86.6 million in 2013/14.

The increasing number of student loans awarded is recognised directly on the scheme's balance sheet, but not recorded as expenditure in the year they are granted. This will result in a significant accounting surplus each year, despite the funds having been used for their allocated purpose. Also contributing to the surplus, donor funds for student financial aid are received at the beginning of the academic year and disbursed during the academic year (which extends into the subsequent financial year). Furthermore, the surplus is a result of recovered funds from loan repayments and interest received. The recovered funds are allocated in the following year, as there is no certainty on the amount that will be recovered from previous debtors in a given year.

Personnel information

Table 17.12 National Student Financial Aid Scheme

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Executive management	5	5	3	1	1	1	2	5	5	5
Senior management	6	6	–	4	6	6	6	9	9	9
Middle management	14	14	2	7	8	9	12	19	20	20
Professionals	2	2	–	1	1	1	2	5	5	5
Semi-skilled	65	65	1	69	73	69	64	79	88	88
Total	92	92	6	82	89	86	86	117	127	127
Compensation (R thousand)				13 111	16 757	18 734	24 750	33 960	37 475	39 631
Unit cost (R thousand)				160	188	218	288	290	295	312

1. As at 30 September 2010.

The scheme's establishment is 92 posts, all of which are funded. The establishment is expected to increase to 117 posts over the medium term, as the organisation increases the number of operational staff and senior management to manage the increasing volume of loans and bursaries being granted annually. There are 91 filled posts currently. Of the 10 vacancies, 3 are in executive management, 4 in middle management and 3 are semi-skilled. The scheme is in the process of filling the vacancies, most of which are newly created positions.

Over the medium term, the ratio of support staff to line staff is expected to change from 1:3.4 to 1:4.2.

Consultants are engaged on once-off organisational change projects if required, and not used to fill vacant posts.

Council on Higher Education

Strategic overview: 2007/08 – 2013/14

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) imply 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. The council will now also function as a quality council for higher education.

To ensure that quality higher education is delivered, the council's priorities over the medium term will be: implementing the higher education qualifications framework by generating and setting standards and other quality assurance functions and monitoring and evaluating the achievement of South African higher education policy goals and objectives.

Savings and cost effectiveness measures

The council is currently reviewing all administrative policies, procedures and contracts with services providers to ensure effective cost savings. The council is also reviewing its current policy on recovering costs for accrediting programmes, particularly from private providers.

Selected performance indicators

Table 17.13 Council on Higher Education

Indicator	Programme/ Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of publications published per year	Advice and Monitoring	4	4	4	4	4	4	4
Number of institutional audits conducted per year	Institutional Audits	4	5	2	2	3	3	3
Number of improvement plans analysed per year	Accreditation	2	11	8	12	5	3	3
Number of new programmes assessed per year	Accreditation	201	130	130	110	110	110	210

Details of programmes/activities/objectives

Table 17.14 Council on Higher Education

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Advice and Monitoring	3 738	4 216	4 496	5 109	5 326	5 787	6 186
Institutional Audits	4 195	2 558	3 899	5 520	6 422	5 769	6 581
Accreditation	8 770	3 682	4 147	5 953	6 973	7 471	7 984
Quality Promotion and Capacity Development	4 876	2 881	5 518	4 516	4 127	4 417	4 226
Coordination and Stakeholder Affairs	1 262	1 851	-	-	-	-	-
Administration and Operations	10 820	17 244	17 041	18 687	17 822	20 483	20 458
Total expense	33 661	32 432	35 101	39 785	40 670	43 927	45 435

The council implements the higher education qualifications framework by generating and setting standards and other quality assurance functions, and monitors and evaluates the achievement of South African higher education policy goals and objectives. The council projects to spend an average of 45 per cent of total expenditure on administration and other support costs, where all expenditure on compensation is captured. Generating and setting standards is a new function, and the council began establishing infrastructure for this in 2010. In 2010/11, the council's work focused on concluding a number of activities in the current quality cycle, and simultaneously on developing a new framework for a second cycle of quality assurance over the next 3 years.

Expenditure estimates

Table 17.15 Council on Higher Education

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousands	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	4 421	4 133	1 216	2 983	1 636	1 740	1 851
Sale of goods and services other than capital assets	1 424	1 061	620	2 024	1 096	1 320	1 641
<i>of which:</i>							
Accreditation fees	1 424	1 061	620	2 024	1 096	1 320	1 641
Other non-tax revenue	2 997	3 072	596	959	540	420	210
Transfers received	30 545	32 071	32 975	36 802	39 034	42 187	43 584
Total revenue	34 966	36 204	34 191	39 785	40 670	43 927	45 435
Expenses							
Current expense	33 661	32 432	35 101	39 785	40 670	43 927	45 435
Compensation of employees	12 314	13 304	15 350	18 585	23 801	25 345	26 989
Goods and services	20 588	18 056	18 172	19 555	15 015	16 763	16 366
Depreciation	699	842	1 522	1 565	1 634	1 739	1 850
Interest, dividends and rent on land	60	230	57	80	220	80	230
Total expenses	33 661	32 432	35 101	39 785	40 670	43 927	45 435
Surplus / (Deficit)	1 305	3 772	(910)	-	-	-	-

Expenditure trends

Spending over the medium term will continue to focus on establishing infrastructure for generating and setting standards, which is a new function that will be carried out over the medium term. In addition, the council will continue to advise the minister on higher education policy matters.

The council receives most of its revenue as transfers from the Department of Higher Education and Training. It also receives revenue from providing accreditation to private higher education institutions, and from donors, interest on investments and venue hire. Transfers over the medium term are expected to increase from R36.8 million to R43.6 million, at an average annual rate of 5.8 per cent. The increase is due to deferred income relating to a once-off transfer of R9 million allocated over the MTEF period. The decrease in total revenue of R2 million in 2009/10 was mainly due to the decrease in donor funding from 2007/08, as well as less interest earned on investments.

Expenditure increased from R33.7 million in 2007/08 to R39.8 million in 2010/11, at an average annual rate of 5.7 per cent. The increase was mainly due to filling funded vacant posts. The decrease in expenditure in 2008/09 was a result of a cost effective operational approach, which decreased expenditure on goods and services by R2.5 million.

Expenditure is expected to grow to R45.4 million over the medium term, at an average annual rate of 4.5 per cent, driven mainly by spending on compensation of employees.

Personnel information

Table 17.16 Council on Higher Education

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Executive management	3	3	–	2	4	3	3	2	2	2
Senior management	4	4	1	4	3	3	3	5	5	5
Middle management	9	9	–	9	6	7	9	12	12	12
Professionals	23	23	1	27	21	21	22	31	31	31
Semi-skilled	8	8	3	8	8	9	5	5	5	5
Total	47	47	5	50	42	43	42	55	55	55
Compensation (R thousand)				12 314	13 304	15 350	18 585	23 801	25 345	26 989
Unit cost (R thousand)				246	317	357	443	433	461	491

¹ As at 30 September 2010.

The council has an establishment of 47 funded posts, of which 42 are currently filled. The council is in the process of filling the vacant posts, most of which became vacant in 2010/11.

The ratio of support staff to line function staff is 1:5.

South African Qualifications Authority

Strategic overview: 2007/08 – 2013/14

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. Since 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 organisation 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.

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 development of the national qualifications framework and a culture of lifelong learning; and the registration of professional bodies and professional designations on the national qualifications framework.

Over the medium term, the authority will initiate and drive a clear, coordinated communication strategy to assist providers, learners and the public to understand the new framework's architecture and the implications of the changes. The authority is also responsible for providing verification of the qualification services of all employees of all national, provincial and local government organisations.

Savings and cost effectiveness measures

The authority has implemented the following cost effectiveness measures over the MTEF period: scheduling meetings so that the authority's own premises are used more frequently; reducing catering for internal functions; performing more functions in-house, thus using fewer external consultants; reducing staff travel and subsistence costs; and monitoring and controlling telephone and cell phone costs.

Selected performance indicators

Table 17.17 South African Qualifications Authority

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of new qualifications received by the Centre for the Evaluation of Educational Qualifications each year	Foreign Qualifications: Evaluation and Advisory Services programme	29 849	29 347	25 500	26 000	24 000	24 000	24 000
Number of new qualifications registered on the national qualifications framework and recorded on the national learners records database each year	Standards Setting and Quality Assurance and National Learners Records Database programmes	118	140	104	8	- ¹	- ¹	- ¹
Number of new unit standards registered on the national qualifications framework and recorded on the national learners records database each year	Standards Setting and Quality Assurance and National Learners Records Database programmes	713	641	1 052	20	- ¹	- ¹	- ¹
Number of cases helped (people needing assistance with career advice services) ²	Administration and Support	-	-	-	8 000	20 000	40 000	20 000
Number of verifications of qualifications completed per year ²	Administration and Support	-	-	-	60 000	100 000	112 500	120 000

1. 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 NQF dispensation.

2. New activity introduced in 2010/11.

Details of programmes/activities/objectives

Table 17.18 South African Qualifications Authority

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Administration and Support	32 052	32 754	37 042	55 185	70 771	72 129	59 810
National Standards Setting and Development	15 517	15 630	7 569	9 388	8 251	8 790	8 748
National Quality Assurance and Development	3 241	2 933	1 446	-	-	-	-
National Learners Records Database (NLRD)	3 643	3 634	4 927	7 456	11 462	12 264	13 368
Foreign Qualifications Evaluation and Advisory Services	7 999	10 957	11 296	14 238	13 418	14 223	15 360
Other Objectives	2 026	2 562	-	-	-	-	-
Total expense	64 478	68 470	62 280	86 267	103 902	107 406	97 286

The South African Qualifications Authority ensures access, quality, redress and development for all learners through an integrated national framework of learning achievements. An average of 66 per cent of the authority's budget is spent on administration and support over the medium term, which is where all employee compensation is allocated. In 2010/11, the authority evaluated the performance of education and training quality assurance bodies in preparation for the new system, identified the national learners' records database as the possible national data set on skills, made important information regarding trends in higher education available to decision makers, and integrated a number of its IT systems for greater efficiency. Over the medium term, the

authority will focus on increased advocacy for the national qualifications framework. In terms of the new National Qualifications Framework Act (2008), the executive functions for setting standards and quality assurance will move to the three quality councils. The authority will, however, remain responsible for registering qualifications and part-qualifications on the national qualifications framework.

Expenditure estimates

Table 17.19 South African Qualifications Authority

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousands	Audited outcome				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	20 211	23 078	19 987	22 700	24 500	25 000	25 550
Sale of goods and services other than capital assets	15 955	17 152	15 430	16 500	17 650	17 700	18 700
<i>of which:</i>							
<i>Evaluation of Foreign Qualifications</i>	14 196	15 663	13 807	15 000	15 500	16 000	16 500
<i>Sales by market establishments</i>	1 759	1 489	1 623	1 500	2 150	1 700	2 200
<i>Other non-tax revenue</i>	4 256	5 926	4 557	6 200	6 850	7 300	6 850
Transfers received	42 906	47 337	43 262	56 335	71 435	82 406	71 736
Total revenue	63 117	70 415	63 249	79 035	95 935	107 406	97 286
Expenses							
Current expense	64 478	68 470	62 280	86 267	103 902	107 406	97 286
Compensation of employees	27 064	29 972	33 479	46 055	61 357	63 811	56 586
Goods and services	32 404	33 069	26 154	37 175	38 848	39 649	36 725
Depreciation	5 010	5 429	2 647	3 037	3 697	3 946	3 975
Total expenses	64 478	68 470	62 280	86 267	103 902	107 406	97 286
Surplus / (Deficit)	(1 361)	1 945	969	(7 232)	(7 967)	-	-

Expenditure trends

The spending focus over the medium term will be on initiating and driving a clear, coordinated communication strategy to assist providers, learners and the public to understand the national qualification framework's new architecture and the implications of the changes. The South African Qualifications Authority generates revenue by way of transfers from the Department of Higher Education and Training over the MTEF period. In addition, the authority has signed an agreement with the National Skills Fund, which will provide R99.4 million over the medium term to fund a career advice services helpdesk. Other revenue is derived from fees for the evaluation of foreign qualifications, fees for verification services, rental income and interest on investments.

Revenue increased from R63.1 million in 2007/08 to R79 million in 2010/11, at an average annual rate of 7.8 per cent, and is expected to increase to R97.3 million over the medium term at an average annual rate of 7.2 per cent. The growth in revenue over the medium term is mainly due to the funding received for the helpdesk.

Spending increased from R64.5 million in 2007/08 to R86.3 million in 2010/11, at an average annual rate of 10.2 per cent, mainly due to general repairs and maintenance of the authority's building and renovations to increase office space for the career advice services centre, and additional costs associated with the national qualifications framework advocacy project. Expenditure is expected to increase to R97.3 million over the medium term at an average annual rate of 4.1 per cent in line with transfers received.

The authority deferred embarking on new projects in 2005/06 while awaiting the outcome of the national qualifications framework 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 2010/11 and 2011/12 are mainly due to general repairs and maintenance of the authority's building and renovations to increase office space for the career advice services centre. These deficits will be funded by the authority's accumulated surplus.

Personnel information

Table 17.20 South African Qualifications Authority

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Senior management	14	14	1	9	7	10	13	14	15	15
Middle management	17	17	–	14	13	15	17	19	19	19
Professionals	65	65	–	32	28	36	65	93	93	72
Semi-skilled	56	56	22	44	40	43	34	47	49	45
Total	152	152	23	99	88	104	129	173	176	151
Compensation (R thousand)				27 064	29 972	33 479	46 055	61 357	63 811	56 586
Unit cost (R thousand)				273	341	322	357	355	363	375

1. As at 30 September 2010.

The authority has an establishment of 152 funded posts, of which 129 are currently filled. The authority is currently filling the existing vacancies, which are mainly at the semi-skilled level.

The ratio of support staff to line function staff is 1:6.

National Skills Fund

Strategic overview: 2007/08 – 2013/14

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: funding national skills development priority projects as identified in the national skills development strategy; funding projects related to the achievement of the purpose of the act as determined by the accounting authority and the payment of skills development collection costs incurred by the South African Revenue Service; and administering the fund.

Key priorities over the medium term include: managing the closure processes of the projects funded under the second national skills development strategy; providing funds to support projects identified as national priorities in the third strategy and other projects related to the achievement of the purpose of the act; and steering the development of internal and external structures and systems that effectively enable the achievement of these objectives.

The second national skills development strategy ends on 31 March 2011. The third strategy was launched by the Minister of Higher Education and Training in January 2011 for implementation from 1 April 2011.

Savings and cost effectiveness measures

The National Skills Fund has targeted areas in which savings will be made over the medium term, including, travel, accommodation, limiting the number of participants at workshops and advertising.

Selected performance indicators

Table 17.21 National Skills Fund

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/0	2010/11	2011/12	2012/13	2013/14
Number of additional unemployed persons assisted to enter learning programmes (Scare skills). ¹	Critical Skills Support	57 570	20 770	20 331	18 800	12 400	12 400	12 400
Number of new learners who have completed learning programmes (Scare Skills). ¹	Critical Skills Support	38 008	23 625	10 767	7 360	4 960	11 040	11 040
Number of New undergraduate bursaries awarded ¹	Critical Skills Support	726	1 179	4 694	2 800	2 800	2 800	2 800

Table 17.21 National Skills Fund (continued)

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/0	2010/11	2011/12	2012/13	2013/14
Number of new postgraduate bursaries awarded ¹	Critical Skills Support	1 120	1 500	1 088	856	1 200	1 200	1 200
Number of new registered adult basic education and training learners who have completed programme ¹	ABET	-	18 715	44 803	-	2 500	2 500	2 500
Number of additional unemployed people trained (Social Development funding window including the expanded public works programme) ¹	Social Development Initiatives	101 924	11 940	12 802	6 500	100 000	100 000	100 000
Number of additional trained unemployed people placed in employment (Social Development Funding Window including the expanded public works programme) ¹	Social Development Initiatives	71 054	6 696	7 008	3 250	70 000	70 000	70 000

1. Subject to revised National Skills Development Strategy 2011 – 2016.

Details of programmes/activities/objectives

Table 17.22 National Skills Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Administration/Operations	69 297	81 890	82 364	107 088	179 188	198 415	208 378
Social Development Initiatives	325 755	162 030	75 189	164 000	965 770	1 062 347	1 120 776
Adult Basic Education and Training	64 045	119 747	99 406	8 200	40 000	40 000	42 200
Strategic Projects	170 722	200 695	306 235	140 522	310 000	310 000	327 050
Critical Skills Support	83 350	256 053	257 854	457 000	840 000	860 000	907 300
Constituency Capacity Building and Other	89 106	109 902	50 019	103 950	456 850	492 130	519 197
Total expense	802 275	930 317	871 067	980 760	2 791 808	2 962 892	3 124 901

The fund provides support for critical skills, adult basic education and training programmes, strategic projects, and social development initiatives. By the end of October 2010, the National Skills Fund had disbursed R380 million of the 2010/11 budget to support skills development of unemployed people or new entrants to the labour market. Business processing and outsourcing training grants to the value of R121 million have been contractually committed over a 3-year period, which will benefit a further 19 100 targeted new entrant workers. By March 2010, the fund met 78 per cent of the national skills development strategy target of training 450 000 unemployed people.

Expenditure estimates

Table 17.23 National Skills Fund

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	250 580	405 019	378 530	350 000	343 802	378 182	398 982
Other non-tax revenue	250 580	405 019	378 530	350 000	343 802	378 182	398 982
Transfers received	1 301 660	1 493 776	1 612 062	1 736 577	1 859 646	1 959 129	2 073 256
Total revenue	1 552 240	1 898 795	1 990 592	2 086 577	2 203 448	2 337 311	2 472 238
Expenses							
Current expense	69 297	81 890	82 364	107 088	179 188	198 415	208 378
Compensation of employees	10 945	11 764	13 854	29 000	35 111	40 280	42 495
Goods and services	58 352	70 126	68 510	78 088	144 077	158 135	165 883
Transfers and subsidies	732 978	848 427	788 703	873 672	2 612 620	2 764 477	2 916 523
Total expenses	802 275	930 317	871 067	980 760	2 791 808	2 962 892	3 124 901
Surplus / (Deficit)	749 965	968 478	1 119 525	1 105 817	(588 360)	(625 581)	(652 663)

Expenditure trends

The fund receives revenue mainly from transfers received from direct charges against the National Revenue Fund transferred by the Department of Higher Education and Training. Revenue is projected to grow from R2.1 billion to R2.5 billion over the medium term at an average annual rate of 5.8 per cent. This growth is mainly due to increased receipts of the skills development levy, which is collected on a monthly basis by the South African Revenue Service and transferred via the department to the fund.

Expenditure increased from R802.3 million in 2007/08 to R980.8 million in 2010/11, at an average annual rate of 6.9 per cent. This was driven mainly by payments for skills development projects aligned with the second national skills development strategy. Between 2007/08 and 2010/11, spending on compensation of employees grew at an average annual rate of 38.4 per cent due to salary adjustments. Spending in 2011/12 is expected to increase as a result of the implementation of the national skills development strategy, which presents an opportunity for the fund to spend much more than it could in the past through an even broader skills delivery system in the country.

Spending over the MTEF period is expected to increase from R980.8 million in 2010/11 to R3.1 billion in 2013/14, at an average annual rate of 47.1 per cent. The growth is mainly due to the new goals indicated in the revised national skills development strategy.

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

Personnel information

The fund has an approved establishment of 48 for 2011/12, of which all are funded. They have one post which is additional to the approved establishment. The fund has 38 filled posts with 10 vacant posts, 4 of which are middle management level posts and 5 are semi-skilled level posts. The process of filling these posts has not yet been determined by the Department of Higher Education and Training. The ratio of support staff to core function staff is approximately 1:1.

Sector education and training authorities

Strategic overview: 2007/08 – 2013/14

There are currently 21 sector education and training authorities that are 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; develop and register learning programmes; and 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.

The sector education and training authorities meet the national skills development strategy targets through a legislated service level agreement with the Department of Higher Education and Training. These annual agreements are determined by the national skills development strategy's five-year target, which is also calculated in annual terms. 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. The sector skills plans are automatically uploaded through an integrated data collection process into the employment services system so that the list is efficiently updated.

The third national skills development strategy, which was launched in January 2011 and runs beyond the medium term, sets targets for all sector education and training authority programmes. The strategy will be implemented from 1 April 2011.

Savings and cost effectiveness measures

All the sector education and training authorities have savings and cost effectiveness measures in place, which range from the imposing a moratorium on filling non-critical vacancies to identifying savings in a number of areas including, travel, accommodation and workshop attendance and advertising.

Selected performance indicators

Table 17.24 Sector education and training authorities

Indicators	Past			Current	Projections		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of additional BEE small, medium and micro enterprises and cooperatives that receive skills development support per year	1 442	2 251	1 770	2 491	2 615	2 745	2 896
Number of additional adult basic education and training learners registered by sector education and training authorities per year	40 583	39 116	46 750	34 786	36 525	38 350	40 459
Number of additional adult basic education and training learners who have completed programmes each year	20 415	14 471	31 392	22 713	23 484	24 658	26 014
Number of additional workers assisted to enter scarce and critical skills programmes through learnerships apprenticeships, bursaries and skills programmes per year	112 100	103 296	56 398	59 954	62 950	66 097	69 732
Number of additional workers enrolled in scarce and critical skills programmes who have completed learning programmes each year	71 529	108 887	35 194	36 988	38 837	40 778	43 021
Percentage of workers successfully completed learning programmes annually	64%	79%	50%	50%	50%	50%	53%
Number of additional unemployed people assisted to enter scarce and critical skills programmes through learnerships, apprenticeships, internships, bursaries and skills programmes each year	57 570	60 126	36 804	31 295	32 859	34 501	36 399
Number of additional unemployed learners who have completed learning programmes each year	38 008	63 349	22 785	14 445	15 167	15 925	16 801
Number of additional youth supported through new venture creation programmes each year	2 559	3 406	3 406	2 092	14 344	15 061	15 889
Number of additional ventures sustainable 12 months after completion of the programme each year	1 791	1 475	3 408	4 215	4 425	4 646	4 902

Details of programmes/activities/objectives

Table 17.25 Sector education and training authorities

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Administration/Operations	511 320	585 920	614 630	760 002	776 318	549 628	582 470
Discretionary Grants	937 347	1 482 947	1 851 988	1 902 000	1 934 288	2 041 146	2 119 878
Mandatory Grants	1 949 690	2 432 633	2 753 696	2 720 874	3 422 166	3 910 942	4 152 535
Skills Development and Research	112 840	138 750	137 211	307 261	161 235	161 191	61 422
Standards Generating Body	103 004	111 657	127 899	205 290	33 255	15 284	8 854
Other Objectives	670 339	563 862	851 937	848 005	975 304	865 240	1 091 731
Total expense	4 284 540	5 315 769	6 337 361	6 743 432	7 302 567	7 543 430	8 016 890

Sector education and training authorities implement sector skills plans to develop appropriate skills, develop and register learning programmes, and distribute skills development levy funds. These organisations 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 have structures that cater for three programmes: administration, which deals with costs as contemplated in regulation 4(3) of the Skills Development Act; discretionary grants as contemplated in regulation 7 of the act; and mandatory grants as contemplated in regulation 6 of the act. The bulk of the expenditure (about 47 per cent) is spent on mandatory grants, which are paid to contributing employers claiming back for training provided.

In 2009/10, the Manufacturing, Engineering and Related Services training authority began the retrenchment assistance programme, which was aimed at retraining workers who had been retrenched or were in the process of being retrenched as a result of the industry downturn or workplace closure. As at 31 March 2010, there were

23 companies actively participating in the project, benefiting 8 393 individuals, with a further 7 companies in the queue for approval.

Expenditure estimates

Table 17.26 Sector education and training authorities

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	464 090	646 124	560 328	303 981	367 249	363 748	367 700
Sale of goods and services other than capital assets <i>of which:</i>	4 576	8 518	1 650	1 200	900	900	900
<i>Sales by market establishments</i>	4 418	8 225	1 392	1 200	900	900	900
<i>Other sales</i>	158	293	258	-	-	-	-
<i>Other non-tax revenue</i>	459 514	637 606	558 678	302 781	366 349	362 848	366 800
Transfers received	5 168 949	5 941 280	6 395 430	6 829 577	7 466 239	7 822 340	8 249 328
Total revenue	5 633 039	6 587 403	6 955 758	7 133 559	7 833 488	8 186 088	8 617 028
Expenses							
Current expense	657 555	729 920	776 350	834 569	963 941	1 019 416	1 072 147
Compensation of employees	314 842	368 713	378 733	435 973	489 925	517 805	550 515
Goods and services	316 690	329 100	372 182	377 561	451 132	477 886	498 335
Depreciation	22 440	28 889	22 564	18 095	19 522	20 190	19 579
Interest, dividends and rent on land	3 583	3 218	2 872	2 939	3 363	3 536	3 719
Transfers and subsidies	3 626 985	4 585 849	5 561 010	5 908 863	6 338 625	6 524 013	6 944 743
Total expenses	4 284 540	5 315 769	6 337 361	6 743 432	7 302 567	7 543 430	8 016 890
Surplus / (Deficit)	1 348 499	1 271 635	618 397	390 127	530 921	642 658	600 138

Expenditure trends

Total revenue is expected to grow at an average annual rate of 7.0 per cent over the seven-year period, from R5.6 billion in 2007/08 to R8.6 billion in 2013/14. The skills development levy collected by the South African Revenue Service and transferred to the sector education and training authorities accounts for 93.7 per cent of total revenue over the medium term. Other non-tax revenue fluctuates over the seven-year period due to fluctuations in interest earned on investments and the use of investments to fund training programmes.

Spending over the seven-year period grows at an average annual rate of 9.4 per cent, from R4.3 billion in 2007/08 to R8.0 billion in 2013/14. The increase is driven mainly by payments relating to skills development programmes. Between 2007/08 and 2010/11, spending on compensation of employees grew at an average annual rate of 11.5 per cent due to higher salary adjustments, and is projected to grow at an average annual rate of 8.1 per cent over the MTEF period. Spending on goods and services increased at an average annual rate of 6.0 per cent between 2007/08 and 2010/11 due to increased spending on computer services and consultants. Over the medium term, expenditure on this item is expected to increase at an average annual rate of 9.7 per cent due to increased spending on audit costs, communication, travel and subsistence, and advertising related to marketing the revised national skills development strategy.

The surpluses over the seven-year period are due to the rate of spending on skills development programmes being much lower than the skills levy collected. An average of 89.3 per cent of the levy collected is spent on skills development programmes.

Personnel information

The 22 education and training authorities had a total of 1 687 filled posts on their establishment as at 30 September 2010, with an associated compensation of employees budget of R436 million, which renders the unit cost per employee to R258 400.

Additional tables

Table 17.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	2009/10		2009/10	2010/11			2010/11
Administration	103 378	104 278	107 744	95 107	27 566	122 673	122 673
Human Resource Development, Planning and Monitoring Coordination	27 832	29 156	28 571	27 032	(381)	26 651	26 651
University Education	17 138 478	17 149 095	17 149 968	19 536 989	3 347	19 540 336	19 540 336
Vocational and Continuing Education and Training	87 610	3 260 231	3 260 600	3 893 292	40 022	3 933 314	3 933 314
Skills Development	152 331	153 824	137 518	168 278	(15 050)	153 228	134 228
Subtotal	17 509 629	20 696 584	20 684 401	23 720 698	55 504	23 776 202	23 757 202
Direct charge against the National Revenue Fund	7 749 980	7 749 980	7 815 556	8 424 228	-	8 424 228	8 424 228
Sector education and training authorities	6 199 984	6 199 984	6 252 445	6 739 382	-	6 739 382	6 739 382
National Skills Fund	1 549 996	1 549 996	1 563 111	1 684 846	-	1 684 846	1 684 846
Total	25 259 609	28 446 564	28 499 957	32 144 926	55 504	32 200 430	32 181 430
Economic classification							
Current payments	336 159	343 399	332 654	382 424	20 809	403 233	388 733
Compensation of employees	193 557	203 339	201 753	228 901	22 724	251 625	249 625
Goods and services	142 602	140 060	130 901	153 523	(1 915)	151 608	139 108
Transfers and subsidies	24 912 997	28 092 091	28 146 465	31 752 669	33 459	31 786 128	31 786 128
Provinces and municipalities	-	3 168 340	3 155 276	3 772 661	31 297	3 803 958	3 803 958
Departmental agencies and accounts	9 615 391	9 624 414	9 690 021	10 462 840	-	10 462 840	10 462 840
Universities and technikons	15 297 196	15 297 196	15 297 180	17 516 740	-	17 516 740	17 516 740
Foreign governments and international organisations	410	410	2 183	428	1 901	2 329	2 329
Households	-	1 731	1 805	-	261	261	261
Payments for capital assets	10 453	11 074	20 735	9 833	1 236	11 069	6 569
Buildings and other fixed structures	3 000	3 000	1 862	-	-	-	-
Machinery and equipment	7 400	8 003	14 856	9 778	1 216	10 994	6 494
Software and other intangible assets	53	71	4 017	55	20	75	75
Payments for financial assets	-	-	103	-	-	-	-
Total	25 259 609	28 446 564	28 499 957	32 144 926	55 504	32 200 430	32 181 430

Table 17.B Detail of approved establishment and personnel numbers according to salary level¹

Department	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Department	1 057	757	17	819	803	815	757	837	829	839
Salary level 1 – 6	449	370	3	382	377	382	370	388	385	383
Salary level 7 – 10	376	242	6	287	278	283	242	275	271	280
Salary level 11 – 12	151	93	1	101	99	101	93	105	104	107
Salary level 13 – 16	81	52	7	49	49	49	52	69	69	69
Administration	279	193	7	148	145	148	192	241	241	248
Salary level 1 – 6	120	100	1	73	71	73	100	112	112	112
Salary level 7 – 10	98	54	2	45	44	45	54	74	74	80
Salary level 11 – 12	28	20	-	17	17	17	20	26	26	27
Salary level 13 – 16	33	19	4	13	13	13	18	29	29	29

Table 17.B Detail of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Human Resource Development, Planning and Monitoring Coordination	98	46	3	59	56	58	46	61	61	62
Salary level 1 – 6	17	7	–	11	11	11	7	11	11	11
Salary level 7 – 10	39	21	2	25	22	24	21	27	27	28
Salary level 11 – 12	26	12	–	13	13	13	12	13	13	13
Salary level 13 – 16	16	6	1	10	10	10	6	10	10	10
University Education	113	67	4	56	53	55	67	77	75	79
Salary level 1 – 6	22	19	–	14	14	14	19	20	20	20
Salary level 7 – 10	35	18	2	14	12	13	18	23	21	23
Salary level 11 – 12	43	20	–	20	19	20	20	23	23	25
Salary level 13 – 16	13	10	2	8	8	8	10	11	11	11
Vocational and Continuing Education and Training	220	174	3	175	168	173	174	175	169	167
Salary level 1 – 6	99	81	2	86	83	86	81	82	79	77
Salary level 7 – 10	74	55	–	58	55	56	55	54	52	52
Salary level 11 – 12	35	27	1	22	21	22	27	27	26	26
Salary level 13 – 16	12	11	–	9	9	9	11	12	12	12
Skills Development	347	277	–	381	381	381	278	283	283	283
Salary level 1 – 6	191	163	–	198	198	198	163	163	163	163
Salary level 7 – 10	130	94	–	145	145	145	94	97	97	97
Salary level 11 – 12	19	14	–	29	29	29	14	16	16	16
Salary level 13 – 16	7	6	–	9	9	9	7	7	7	7

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2010.

Table 17.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compensation of employees (R thousand)	146 229	174 819	201 753	251 625	301 521	334 140	359 717
Training expenditure (R thousand)	2 480	2 931	1 870	2 416	1 282	1 294	1 305
Training as percentage of compensation	1.7%	1.7%	0.9%	1.0%	0.4%	0.4%	0.4%
Total number trained in department (head count)	335	287	134	219			
<i>of which:</i>							
Employees receiving bursaries (head count)	20	26	31	52			
Internships trained (head count)	62	25	19	8			
Households receiving bursaries (R thousand)	100 000	200 000	300 000	318 000	387 080	453 934	598 900
Households receiving bursaries (head count)	9 732	22 857	34 286	–			

Table 17.D Summary of conditional grants to provinces and municipalities ¹

R thousand	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Conditional grants to provinces							
Vocational and Continuing Education and Training							
Further Education and Training Colleges Grant	1 804 191	2 210 656	3 155 276	3 803 958	4 325 989	4 705 088	5 262 388
Further Education and Training Colleges Sector Recapitalisation Grant	631 090	795 170	-	-	-	-	-
Total	2 435 281	3 005 826	3 155 276	3 803 958	4 325 989	4 705 088	5 262 388

1. Detail provided in the Division of Revenue Act (2011).

Table 17.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2010/11	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand												
Foreign												
In cash												
European Union	University library books, technical support and the higher education AIDS project	University Education	216 230	Goods and services	Provide university library books and research, policy development and projects on the prevention and treatment of HIV and AIDS in higher education institutions	31 322	15 494	6 102	10 132	-	-	-
United Kingdom Department for International Development	Mergers of higher education institutions	University Education	1 603	Goods and services	Support the merging of institutions	-	-	-	-	-	-	-
Norway	Oslo Celebration Research Grant	University Education	249	Goods and services	Award grants to pursue research on education and gender	-	239	-	-	-	-	-
European Union	Foundation phase teacher education project	Administration	141 000	Goods and services	Increase the number of public higher education institutions involved in initial teacher education for teaching in the foundation phase and the number of students enrolled in these programmes	-	-	-	43 300	48 850	48 850	-
In kind												
Norway	Higher education policy	University Education	248 846	Goods and services	Provide technical assistance to higher education institutions on access, retention and success, multilingualism, and capacity building	8 722	16 448	-	-	-	-	-
United States Agency for International Development College Fund	Strategic objective grant agreement	University Education	143 086	Goods and services	Provide 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	Promote research, curriculum development and learning materials development, and teacher training; and introduce new programmes to provide support in the creation and development of small businesses to reduce poverty	-	48.0	-	-	-	-	-
German Technical Cooperation (GTZ)	Employment and skills development services	Skills Development	146 300	Goods and services	Capacity building projects at further education and training colleges, and policy development and advisory services in the skills development arena	16 500	33 000	33 000	33 000	-	-	-
Total			897 362			56 544	123 629	39 102	86 432	48 850	48 850	-

Table 17.F 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 University of Technology	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: South African 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

Table 17.G Summary of financial assistance to higher education institutions, 2011/12

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	SA Institute for Chartered Accountants	
Cape Peninsula University of Technology	764 538	1 458	88 800	13 995	3 678	92 877	8 166	2 748	-	976 260
University of Cape Town	949 788	529	101 100	8 954	34 077	50 790	533	1 778	-	1 147 549
Central University of Technology, Free State	268 225	-	24 700	7 084	1 787	46 957	3 397	1 425	-	353 575
Durban Institute of Technology	564 276	1 051	87 600	3 294	3 274	110 539	3 964	3 734	-	777 732
University of Fort Hare	240 450	58	64 900	9 589	3 698	32 990	1 360	1 437	-	354 482
University of Free State	723 523	931	54 400	24 679	24 317	55 754	2 616	1 959	-	888 179
University of KwaZulu-Natal	1 281 085	1 468	110 400	16 849	54 661	112 105	15 344	2 500	-	1 594 412
Mangosuthu University of Technology	208 224	-	38 500	17 570	315	50 335	-	1 483	-	316 427
Nelson Mandela Metropolitan University	592 680	1 154	66 100	13 521	5 807	61 885	325	2 305	-	743 777
North West University	933 622	770	102 200	9 054	6 132	54 313	7 338	1 765	-	1 115 194
University of Pretoria	1 476 256	116	68 400	16 912	37 550	74 718	6 114	2 645	-	1 682 711
Rhodes University	252 952	128	31 500	1 642	768	10 286	80	463	-	297 819
University of Stellenbosch	921 243	1 139	97 100	3 769	31 290	16 848	195	502	-	1 072 086
Tshwane University of Technology	1 119 041	3 102	137 000	29 113	4 284	207 187	5 053	6 651	-	1 511 431
University of South Africa	1 523 975	658	19 800	238 939	-	80 092	887	2 916	-	1 867 267
University of Johannesburg	1 078 206	3 741	52 000	43 974	5 102	146 985	1 689	8 649	-	1 340 346
University of Limpopo	546 750	147	101 300	15 706	36 211	85 245	8 901	2 673	-	796 933
Vaal University of Technology	392 518	466	18 000	16 899	1 065	82 152	-	2 571	-	513 671
University of Venda	248 029	220	28 800	6 125	3 123	59 798	6 601	2 221	-	354 917
Walter Sisulu University of Science and Technology, Eastern Cape	480 621	-	64 100	43 476	14 141	107 285	7 382	3 318	-	720 323
University of the Western Cape	529 872	-	70 400	22 550	25 613	55 128	1 528	1 594	-	706 685
Witwatersrand University	997 240	2 501	135 600	22 408	49 552	73 962	3 124	3 255	-	1 287 642
University of Zululand	283 415	-	52 300	17 581	3 355	40 127	11 609	1 408	-	409 795
Unallocated	10 264	-	-	-	377 810	77 384	-	-	27 831	493 289
Total	16 386 793	19 637	1 615 000	603 683	727 610	1 785 742	96 206	60 000	27 831	21 322 502



**ESTIMATES
OF NATIONAL
EXPENDITURE** **2011**

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