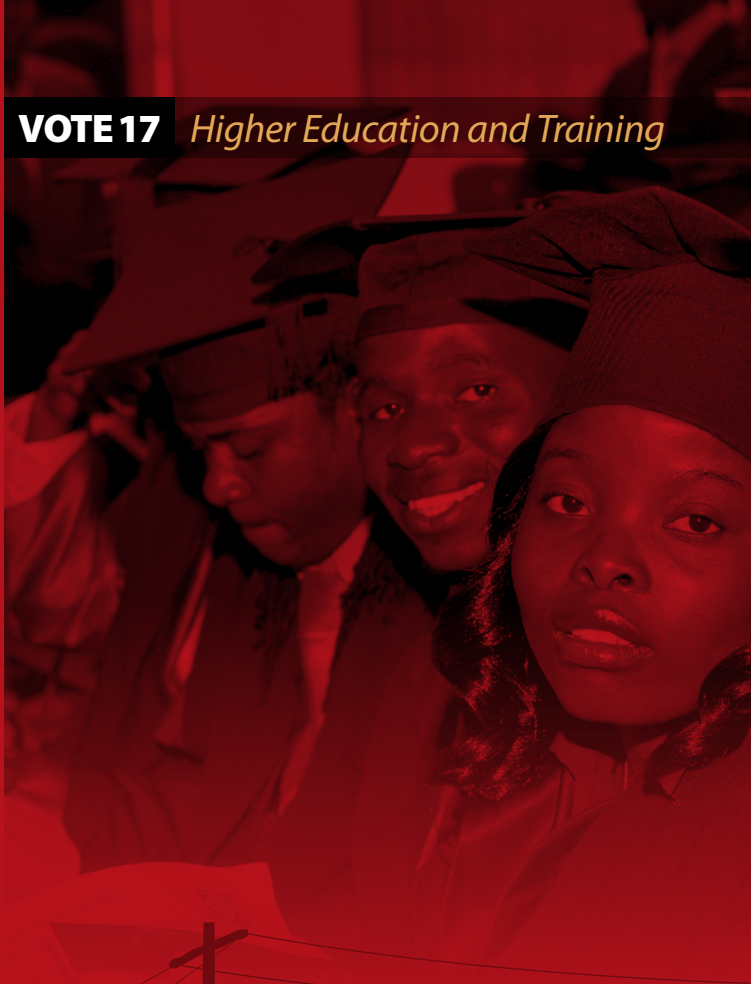


VOTE 17 *Higher Education and Training*



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure 2012

National Treasury

Republic of South Africa

22 February 2012



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The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspending on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. 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, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Higher Education and Training

**National Treasury
Republic of South Africa**



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Vote 17

Higher Education and Training

Budget summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	175 453	174 005	158	1 290	192 702	205 999
Human Resource Development, Planning and Monitoring Coordination	40 671	37 948	2 544	179	45 989	49 049
University Education	26 233 965	50 896	26 182 849	220	28 155 459	29 926 929
Vocational and Continuing Education and Training	4 950 200	191 701	4 757 271	1 228	5 528 440	5 837 899
Skills Development	100 068	75 158	20 216	4 694	107 436	114 356
Subtotal	31 500 357	529 708	30 963 038	7 611	34 030 026	36 134 232
Direct charge against the National Revenue Fund						
Sector education and training authorities	7 684 915	–	7 684 915	–	8 107 585	8 594 040
National Skills Fund	1 921 233	–	1 921 233	–	2 026 901	2 148 515
Total expenditure estimates	41 106 505	529 708	40 569 186	7 611	44 164 512	46 876 787
Executive authority	Minister of Higher Education and Training					
Accounting officer	Director General of Higher Education and Training					
Website address	www.dhet.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: 2008/09 – 2014/15

The Department of Higher Education and Training became operational in 2010/11, bringing together all higher education institutions, further education and training colleges and adult education institutions, which were formerly the responsibility of the Department of Education, and the skills levy institutions, which were formerly the responsibility of the Department of Labour. Currently, further education and training colleges and adult education centres are shared functions between the national department and provincial education departments.

Outcomes and strategic goals

The department is responsible for ensuring that a skilled and capable workforce is created to support an inclusive growth path (outcome 5). To achieve this, the department has set related strategic goals. These are to: increase the number of skilled youth by expanding their access to education and training; ensure a further education and training college curriculum that is responsive to the demands of the market; increase the number of students successfully entering the labour market on completion of training; increase the number of university graduates, particularly in scarce skill areas; improve the linkages between the world of work and study; and establish a credible institutional mechanism for skills planning.

Focus over the medium term

Legislative and policy developments relating to further education and training

An amendment to schedule 4 of the Constitution to make further education and training colleges an exclusive national competence is currently before Parliament. This amendment is required due to the reorganisation of the state in 2009, when the mandate for further education and training colleges was shifted to the newly established Department of Higher Education and Training. The department does not have provincial departments and will manage the colleges at the national level. Guiding this legislation through Parliament is a key objective of the department over the medium term as the amendment will provide all further education and training colleges with clear and consistent national direction and regulation. The change will result in the consolidation, alignment and proper coordination of the roles of the colleges, which form a key part of the department's plans to provide scarce skills for the economy. The change also reflects the department's objective to integrate education and training.

Further education and training colleges are the primary sites for skills development and the department intends increasing the number of skilled youth by expanding access to effective education and training. To this end, full bursaries are made available through the National Student Financial Aid Scheme for poor learners to access the national certificate (vocational) and national accredited technical diploma programmes at further education and training colleges. The department will facilitate the establishment of linkages between further education and training colleges and industry, to ensure that their curriculum is responsive to the demands of industry and to improve the labour market's absorption of students completing these courses.

Strategies for more young people to advance to higher education

A detailed enrolment planning exercise has been conducted with all universities, with a view to expanding enrolment in key scarce skill areas such as the health sciences, engineering, technology and education. Coupled with this exercise was the introduction of the final year loans programme in 2011, in which all qualifying final year students qualifying for a loan will receive a loan to cover their full cost of study. Such loans may be converted into 100 per cent bursaries if students graduate within the year.

The department also aims to strengthen the capacity of the education and training system to provide professional, vocational, technical and academic learning programmes that combine course work at universities, universities of technology and colleges, with structured learning at work. To achieve this goal, the department aims to improve access to and success at post-school learning sites such as universities and colleges, while ensuring that there are structured bridges to the world of work, which in turn, will provide opportunities for quality learning. The establishing of universities in Mpumalanga and Northern Cape is ongoing.

These strategies and initiatives are in line with the department's aim of having 20 per cent of 18 to 24-year-olds participating in higher education by 2016.

Strengthening the training of artisans

The establishment of the National Artisan Moderating Body and the Quality Council for Trades and Occupations is an important step towards dealing with skill shortages. The Quality Council for Trades and Occupations, established in February 2010, capacitates the trades and occupations with skilled, productive and employable people by providing a streamlined, occupational qualification system that responds to the skills requirements of the labour market. The establishment of the National Artisan Moderating Body in September 2010 reflects the department's move towards a simpler, standardised apprenticeship based artisan development system. The two organisations will work together to plan and set standards for artisan development.

Aligning education with development priorities

Given the need to align the post-school education and training system with the country's overall development agenda, the department issued the Green Paper for Post School Education and Training for public comment in January 2012. Through this, and the subsequent development of a white paper, the department's activities will have clear links to the human resource development strategy for South Africa and the country's 10-year innovation plan.

Selected performance indicators

Table 17.1 Higher Education and Training

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of students enrolled in higher education institutions per year	University Education	783 900	837 779	816 400	886 033	909 716	935 710	961 932
Proportion of higher education enrolments in science, engineering and technology: business: humanities	University Education	30:31:39	28:29:43	30:33:37	29:30:41	29:30:41	29:30:41	29:30:41
Number of higher education graduates per year	University Education	133 000	144 852	141 900	159 115	167 807	179 780	189 770
Number of artisan learners registered for training by sector education and training authorities each year	Skills Development	17 228	12 600	19 288	30 000	31 000	32 000	33 000
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	8 337	12 000	10 000	10 000	10 000	10 000	10 000
Total number of full time equivalents enrolled in further education and training institutions per year	Vocational and Continuing Education and Training	61 320	102 667	212 215	210 971	229 958	232 718	246 681

Expenditure estimates

Table 17.2 Higher Education and Training

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand								
Administration	84 586	103 272	114 442	148 541	136 841	175 453	192 702	205 999
Human Resource Development, Planning and Monitoring Coordination	27 075	29 407	25 769	35 865	36 615	40 671	45 989	49 049
University Education	15 413 025	17 152 769	19 537 915	23 428 116	23 428 116	26 233 965	28 155 459	29 926 929
Vocational and Continuing Education and Training	3 112 530	3 261 435	3 942 870	4 554 222	4 559 222	4 950 200	5 528 440	5 837 899
Skills Development	130 545	137 518	131 358	132 770	128 770	100 068	107 436	114 356
Subtotal	18 767 761	20 684 401	23 752 354	28 299 514	28 289 564	31 500 357	34 030 026	36 134 232
Direct charge against the National Revenue Fund	7 234 135	7 815 556	8 379 259	9 148 712	9 148 712	9 606 148	10 134 486	10 742 555
Sector education and training authorities	5 787 308	6 252 445	6 704 103	7 318 967	7 318 967	7 684 915	8 107 585	8 594 040
National Skills Fund	1 446 827	1 563 111	1 675 156	1 829 745	1 829 745	1 921 233	2 026 901	2 148 515
Total	26 001 896	28 499 957	32 131 613	37 448 226	37 438 276	41 106 505	44 164 512	46 876 787
Change to 2011 Budget estimate				70 925	60 975	181 892	341 848	424 762

Economic classification

Current payments	318 741	332 654	385 206	473 835	467 885	529 708	583 747	617 817
Compensation of employees	174 819	201 753	258 205	324 253	329 753	359 140	396 417	420 346
Goods and services	143 922	130 901	127 001	149 582	138 132	170 568	187 330	197 471
<i>of which:</i>								
Administrative fees	214	105	85	92	92	66	74	85
Advertising	4 634	1 189	1 749	2 054	2 054	2 157	2 712	2 151
Assets less than the capitalisation threshold	1 268	929	452	1 811	1 811	1 343	1 406	1 512
Audit cost: External	1 788	2 551	4 507	7 083	7 083	7 400	7 500	7 950
Bursaries: Employees	119	161	409	315	315	250	300	340
Catering: Departmental activities	966	731	2 178	2 267	2 247	1 583	1 876	2 090
Communication	4 031	3 681	4 425	5 852	5 832	9 560	10 250	11 069
Computer services	20 043	16 729	20 309	26 919	26 889	28 508	29 094	31 859
Consultants and professional services: Business and advisory services	21 465	24 613	414	2 818	2 468	5 827	3 923	4 562
Consultants and professional services: Legal costs	–	–	689	2 180	2 680	260	290	340
Contractors	567	1 051	618	298	298	565	713	755
Agency and support / outsourced services	6 970	2 637	2 603	1 139	1 109	770	2 152	2 533
Entertainment	223	49	55	180	180	150	155	160
Fleet services (including government motor transport)	751	247	320	1 040	1 040	786	904	993
Inventory: Food and food supplies	1 720	3 508	1 209	645	645	100	600	650
Inventory: Fuel, oil and gas	135	248	83	68	68	40	90	100
Inventory: Learner and teacher support material	–	2	21	161	161	–	–	–
Inventory: Materials and supplies	5 333	4 440	3 441	1 650	1 650	1 005	1 072	1 064
Inventory: Medical supplies	14	36	–	10	10	3	20	4
Inventory: Other consumables	670	1 316	855	773	773	200	804	721
Inventory: Stationery and printing	7 444	9 096	12 440	8 000	7 960	8 725	9 868	10 081
Lease payments	4 175	7 632	4 889	5 748	5 748	8 686	7 893	7 943
Property payments	10 567	10 944	26 868	27 536	14 536	43 937	51 696	54 417
Travel and subsistence	35 761	28 308	29 929	39 983	41 543	31 383	36 141	37 486
Training and development	1 704	1 491	874	283	283	1 000	1 000	1 000
Operating expenditure	7 623	6 254	6 190	8 190	8 170	8 563	8 949	8 948
Venues and facilities	5 737	2 953	1 389	2 429	2 429	7 701	7 848	8 658
Rental and hiring	–	–	–	58	58	–	–	–

Table 17.2 Higher Education and Training (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Transfers and subsidies	25 678 145	28 146 465	31 741 025	36 962 736	36 962 736	40 569 186	43 574 270	46 251 918
Provinces and municipalities	3 005 826	3 155 276	3 803 958	4 375 311	4 375 311	4 757 271	5 317 702	5 618 198
Departmental agencies and accounts	8 872 316	9 690 021	10 417 861	13 230 823	13 230 823	14 906 511	16 015 120	16 975 791
Higher education institutions	13 797 403	15 297 180	17 516 740	19 354 159	19 354 159	20 902 860	22 238 767	23 655 093
Foreign governments and international organisations	2 255	2 183	2 082	2 443	2 443	2 544	2 681	2 836
Households	345	1 805	384	–	–	–	–	–
Payments for capital assets	4 907	20 735	5 380	11 655	7 655	7 611	6 495	7 052
Buildings and other fixed structures	643	1 862	–	–	–	–	–	–
Machinery and equipment	4 078	14 856	5 326	11 655	7 655	7 611	6 495	7 052
Software and other intangible assets	186	4 017	54	–	–	–	–	–
<i>of which:</i>								
<i>Capitalised goods and services</i>	–	–	–	100	100	–	–	–
Payments for financial assets	103	103	2	–	–	–	–	–
Total	26 001 896	28 499 957	32 131 613	37 448 226	37 438 276	41 106 505	44 164 512	46 876 787

Expenditure trends

The spending focus over the medium term will be on the *University Education* programme, which consists mainly of transfers to higher education institutions and the National Student Financial Aid Scheme. Focusing spending in this way is primarily intended to increase the number of university graduates, particularly in scarce skill areas, and to provide access to universities and colleges for poor students through the provision of loans and bursaries. It is expected that by 2014/15, 961 932 students will be enrolled in higher education institutions and that 189 770 students will graduate.

Excluding direct charges against the National Revenue Fund, expenditure increased from R18.8 billion in 2008/09 to R28.3 billion in 2011/12, at an average annual rate of 14.7 per cent. Over the medium term, the department's expenditure is expected to grow to R36.1 billion, at an average annual rate of 8.5 per cent.

Increases in both periods are driven mainly by additional allocations for the further education and training colleges conditional grant and university infrastructure grants, and to fund increases in the transfer to the National Student Financial Aid Scheme, providing more bursaries and loans to enable more students to access further education and training colleges and universities.

Transfers to higher education institutions are expected to grow from R19.4 billion in 2011/12 to R23.7 billion, at an average annual rate of 6.9 per cent. This is to allow enrolments to increase from 886 033 students in 2011/12 to 961 932 in 2014/15. The number of graduates is also projected to increase over the MTEF period from 159 115 students to 189 770 students, as a result of the increased expenditure. The further education and training colleges conditional grant will grow from R4.4 billion in 2011/12 to R5.6 billion, in 2014/15 at an average annual rate of 8.7 per cent, which will allow for enrolment in programmes at these colleges to increase.

The department receives additional allocations over the MTEF period of R211.6 million, R370.4 million and R474.4 million, to be used as follows:

- R6.7 million, R10.9 million and R11.9 million over the MTEF period for improvement in conditions of service in the department
- R501 000, R845 000 and R949 000 for improvement in conditions of service in the Council for Higher Education
- R565 000, R954 000 and R1.1 million for improvement in conditions of service at the National Student Financial Aid Scheme

- R223 000, R377 000 and R420 000 for improvement in conditions of service at the Quality Council for Trades and Occupations
- R1.4 million, R2 million and R1.7 million for improvement in conditions of service at the South African Qualifications Authority
- R52.2 million, R55.3 million and R58.4 million for the further education and training colleges conditional grant for improved conditions of service
- R150 million, R300 million and R400 million for tertiary institution infrastructure.

The department will also receive donor funding of R30 million in 2012/13 and R30 million in 2013/14 through general budget support to develop a national career guidance IT system that will provide access to information on occupations, economic indicators, learning opportunities and directed learning pathways for various careers.

Spending on consultants is expected to decrease from R5.1 million in 2011/12 to R4.9 million in 2014/15, at an average annual rate of 1.6 per cent. Consultants are used as required across all programmes to support critical skills and provide technical expertise, including internal audit investigations, organisational development, ministerial commissions and committees, legal and legislative services and financial and business advice.

Infrastructure spending

Spending on infrastructure is limited to the earmarked subsidies to higher education institutions. This allocation will increase from R1.6 billion in 2011/12 to R2 billion in 2014/15, providing a total of R5.7 billion over the MTEF period to build and upgrade facilities, including student accommodation, at higher education institutions. The allocation of these funds to each university will take into account the following factors: historical disadvantage, needs for student housing, progress on targets and enrolment plans, funds allocated previously, progress on projects, spending trends, cash flow projections, existing and required provision for the disabled, and alignment with other funding.

Personnel information

Table 17.3 Details of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2011			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		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	1 067	795	105	803	815	757	900	970	976	976
Salary level 1 – 6	422	339	105	377	382	370	444	473	473	473
Salary level 7 – 10	404	283	–	278	283	242	283	308	311	311
Salary level 11 – 12	156	102	–	99	101	93	102	110	113	113
Salary level 13 – 16	85	71	–	49	49	52	71	79	79	79
Administration	270	222	42	145	148	192	262	292	292	292
Salary level 1 – 6	119	102	42	71	73	100	144	158	158	158
Salary level 7 – 10	95	70	–	44	45	54	68	81	81	81
Salary level 11 – 12	29	26	–	17	17	20	26	27	27	27
Salary level 13 – 16	27	24	–	13	13	18	24	26	26	26
Human Resource Development, Planning and Monitoring Coordination	106	62	17	56	58	46	79	85	89	89
Salary level 1 – 6	13	5	17	11	11	7	22	25	25	25
Salary level 7 – 10	49	29	–	22	24	21	29	30	33	33
Salary level 11 – 12	26	13	–	13	13	12	13	14	15	15
Salary level 13 – 16	18	15	–	10	10	6	15	16	16	16
University Education	117	70	8	53	55	67	80	93	95	95
Salary level 1 – 6	16	10	8	14	14	19	18	22	22	22
Salary level 7 – 10	40	29	–	12	13	18	31	32	32	32
Salary level 11 – 12	45	22	–	19	20	20	22	26	28	28
Salary level 13 – 16	16	9	–	8	8	10	9	13	13	13

Table 17.3 Details of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2011			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		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Vocational and Continuing Education and Training	231	177	33	168	173	174	210	225	225	225
Salary level 1 – 6	87	66	33	83	86	81	99	104	104	104
Salary level 7 – 10	92	69	–	55	56	55	69	77	77	77
Salary level 11 – 12	38	29	–	21	22	27	29	30	30	30
Salary level 13 – 16	14	13	–	9	9	11	13	14	14	14
Skills Development	343	264	5	381	381	278	269	275	275	275
Salary level 1 – 6	187	156	5	198	198	163	161	164	164	164
Salary level 7 – 10	128	86	–	145	145	94	86	88	88	88
Salary level 11 – 12	18	12	–	29	29	14	12	13	13	13
Salary level 13 – 16	10	10	–	9	9	7	10	10	10	10

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

2. As at 30 September 2011.

The department became operational in April 2010, and as at 30 September 2011, had an approved establishment of 1 067 posts, 795 of which were funded. The 105 posts additional to the establishment were interns who have been contracted for 12 months for workplace training across the department. As at 30 September 2011, 900 posts were filled. Over the MTEF period, filled posts are expected to increase to 976 as additional funds are made available from savings made in the department. The ratio of support staff to line staff in the department was 1:4. The ratio of consultants to the total number of department personnel was 1:90 for 2011/12.

Departmental receipts

Table 17.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Departmental receipts	6 744	6 720	8 902	8 649	8 868	9 220	9 317	9 425
Sales of goods and services produced by department	834	728	3 468	3 358	3 577	3 971	4 172	4 382
Sales by market establishments of which:	–	–	240	–	150	264	279	293
Academic services: Temporary accommodation	–	–	32	–	143	154	169	183
Sale of assets less than R5 000	–	–	2	–	7	10	10	10
Academic term	–	–	100	–	–	–	–	–
Commission	–	–	106	–	–	100	100	100
Administration fees of which:	786	665	2 544	2 580	2 465	2 698	2 833	2 975
Exams	692	505	597	637	637	779	818	859
Trade fees	–	–	1 752	1 744	1 629	1 710	1 796	1 885
Higher education institutions	26	60	55	48	48	50	53	56
Further education and training	68	100	130	151	151	159	166	175
Sports and club facilities	–	–	10	–	–	–	–	–
Other sales of which:	48	63	684	778	962	1 009	1 060	1 114
Boarding fees	38	44	344	264	265	278	292	307
Parking	10	18	22	24	24	25	26	28
Sale of meals and refreshments	–	1	91	–	183	192	202	212
Commission	–	–	10	112	115	121	127	133
Rental	–	–	217	378	375	393	413	434
Sales of scrap, waste, arms and other used current goods	28	60	44	15	15	16	17	17
of which:								
Waste paper	28	60	44	15	15	16	17	17
Transfers received	–	–	33	–	–	–	–	–
Interest, dividends and rent on land	4 101	4 162	3 565	3 577	3 577	3 534	3 463	3 394
Interest	4 101	4 162	3 565	3 577	3 577	3 534	3 463	3 394
Transactions in financial assets and liabilities	1 781	1 770	1 792	1 699	1 699	1 699	1 665	1 632
Total	6 744	6 720	8 902	8 649	8 868	9 220	9 317	9 425

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 R8.9 million are expected for 2011/12 and are projected to increase to R9.4 million by 2014/15, at an average annual rate of 2.1 per cent.

Programme 1: Administration

Expenditure estimates

Table 17.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Ministry	10 583	14 852	20 973	26 181	26 875	29 409	31 315
Department Management	9 668	12 813	15 703	23 485	22 740	24 372	25 955
Corporate Services	54 723	64 229	52 306	72 241	83 235	88 716	96 045
Office Accommodation	9 612	11 378	25 460	26 634	42 603	50 205	52 684
Total	84 586	103 272	114 442	148 541	175 453	192 702	205 999
Change to 2011 Budget estimate				(13 039)	731	6 856	9 000

Economic classification

	83 445	94 404	109 600	146 775	174 005	191 310	204 365
Current payments							
Compensation of employees	28 818	36 452	48 457	69 232	83 727	90 018	96 314
Goods and services	54 627	57 952	61 143	77 543	90 278	101 292	108 051
<i>of which:</i>							
<i>Administrative fees</i>	173	94	66	56	43	49	56
<i>Advertising</i>	1 458	640	1 411	1 597	1 535	1 985	1 534
<i>Assets less than the capitalisation threshold</i>	114	437	241	1 300	471	197	220
<i>Audit cost: External</i>	1 788	2 035	4 501	7 083	7 400	7 500	7 950
<i>Bursaries: Employees</i>	99	161	409	315	250	300	340
<i>Catering: Departmental activities</i>	57	65	230	977	260	352	410
<i>Communication</i>	1 303	1 241	2 402	2 555	2 063	2 370	2 453
<i>Computer services</i>	6 926	7 754	10 842	15 930	16 433	16 814	19 599
<i>Consultants and professional services: Business and advisory services</i>	19 875	20 404	138	38	947	1 037	1 226
<i>Contractors</i>	191	442	73	146	464	590	649
<i>Agency and support / outsourced services</i>	908	582	575	117	362	172	439
<i>Entertainment</i>	198	26	55	180	150	155	160
<i>Fleet services (including government motor transport)</i>	563	140	320	806	190	239	309
<i>Inventory: Food and food supplies</i>	-	-	-	3	-	-	-
<i>Inventory: Learner and teacher support material</i>	-	-	3	159	-	-	-
<i>Inventory: Materials and supplies</i>	-	-	76	37	-	50	53
<i>Inventory: Medical supplies</i>	-	-	-	-	-	4	-
<i>Inventory: Other consumables</i>	-	-	254	295	-	402	421
<i>Inventory: Stationery and printing</i>	1 610	1 556	2 063	1 779	1 681	1 457	1 474
<i>Lease payments</i>	702	3 048	786	1 881	1 775	1 905	1 981
<i>Property payments</i>	9 982	9 593	26 025	26 958	42 991	50 629	53 128
<i>Travel and subsistence</i>	6 339	8 229	8 887	12 325	10 005	11 699	12 228
<i>Training and development</i>	223	255	864	264	1 000	1 000	1 000
<i>Operating expenditure</i>	1 918	1 081	692	1 927	1 571	1 645	1 675
<i>Venues and facilities</i>	200	169	230	815	687	741	746

Table 17.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Transfers and subsidies	179	1 214	394	196	158	167	177
Departmental agencies and accounts	60	76	131	196	158	167	177
Households	119	1 138	263	–	–	–	–
Payments for capital assets	962	7 654	4 448	1 570	1 290	1 225	1 457
Machinery and equipment	953	7 418	4 394	1 570	1 290	1 225	1 457
Software and other intangible assets	9	236	54	–	–	–	–
<i>of which:</i>							
Capitalised goods and services	–	–	–	100	–	–	–
Total	84 586	103 272	114 442	148 541	175 453	192 702	205 999

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	60	76	131	196	158	167	177
Education, Training and Development Practices Sector Education and Training Authority	55	74	125	196	158	167	177
Claims against the state	5	2	6	–	–	–	–
Households							
Social benefits							
Current	119	1 138	263	–	–	–	–
Employee social benefits	119	1 138	263	–	–	–	–

Expenditure trends

This programme provides the overall management and administration of the department. Expenditure increased from R84.6 million in 2008/09 to R148.5 million in 2011/12, at an average annual rate of 20.6 per cent, mainly due to the additional personnel, goods and services and capital costs required for the establishment of the new department in 2010 and funding for office accommodation. Over the medium term, expenditure is expected to increase to reach R206 million, at an average annual rate of 11.5 per cent. This increase is due mainly to: the provision for filling critical vacancies, increases in audit fees and office accommodation charges, and the increased provision for ministerial commissions and committees.

Spending on consultants was equivalent to 0.05 per cent of total expenditure on compensation of employees in 2011/12, and is expected to increase from R38 000 in 2011/12 to R1.2 million in 2014/15, at an average annual rate of 218.3 per cent. Consultants funded through this expenditure will be used mainly for specific technical tasks such as internal audit investigations, risk assessments and organisational development, or where independent assessment is required, such as for the work of ministerial commissions and committees.

Programme 2: Human Resource Development, Planning and Monitoring Coordination

Objectives and measures

- Monitor and support actions needed to implement the statutory functions assigned to the minister, director general and quality councils by the National Qualifications Framework Act (2008) by delivering monitoring and evaluation reports and issuing policy guidelines annually.
- Establish and maintain a coherent career management and career information system for the post-school sector by developing and implementing 5 modules for web based career guidance systems by March 2015.

- Pursue bilateral relations with priority countries to foster productive international cooperation on educational themes across all levels of education by ensuring that all engagement reports on relations are completed annually.
- Establish a well functioning social inclusion, equity and transformation service within the department and its entities by focusing on policy research, monitoring and evaluation in matters relating to race, class, gender, age, disability, HIV and AIDS and career information services and counselling, and developing and overseeing policy implementation on these matters by March 2015.

Subprogrammes

- *Programme Management: Human Resource Development, Planning and Monitoring Coordination* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 6 and a total budget of R3.1 million in 2011/12, of which 89.3 per cent was used for compensation of employees. An approved baseline cut of R6 000 in 2012/13 has been made on travel and subsistence in this subprogramme.
- *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 had a staff complement of 21 and a total budget of R9 million in 2011/12, of which 92.7 per cent was used for compensation of employees. In 2011/12, the development of the annual performance plan and the preparation of the strategic plan for the department were the key outputs. An approved baseline cut of R118 000 in 2012/13 has been made on travel and subsistence in this subprogramme.
- *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 had a staff complement of 19 and a total budget of R5.4 million in 2011/12, of which 86.5 per cent was used for compensation of employees. In 2010/11, focus was placed on the development of frameworks for career guidance services and for the provision of coordinated information on skills supply and demand in the country. This work will culminate in the development of an integrated information system for the higher education and training sector, which will include interfaces to the datasets of other departments such as the Department of Labour and the Department of Home Affairs, at a projected cost of R7.8 million over the MTEF period. An approved baseline cut of R274 000 in 2012/13 has been made on travel and subsistence in this subprogramme.
- *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 had a staff complement of 14 and a total budget of R9.7 million in 2011/12, of which 54.1 per cent was used for compensation of employees. A continuing area of work is the pursuit of African advancement and enhanced international cooperation in education and training, in line with departmental and foreign policy priorities. R2.4 million (24.7 per cent of the total budget) is transferred to the Commonwealth of Learning and the India-Brazil-South Africa Trilateral Commission for membership fees. An approved baseline cut of R188 000 in 2012/13 has been made on travel and subsistence in this subprogramme.
- *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 with regard to legal and legislative matters. This subprogramme had a staff complement of 11 and a total budget of R6.1 million in 2011/12, of which 55.1 per cent was used for compensation of employees. In 2011/12, amendments to the skills legislation related to the governance and oversight of the sector education and training authorities were managed, as well as the constitutional amendment to make further education and training colleges and adult education and training an exclusive national competence. Over the medium term, this subprogramme will remain responsible for providing legal advice and managing any litigation concerning the department, for drafting regulations and legislation and for providing advice on all

departmental protocols and agreements, at a projected cost of R17.6 million. No approved baseline cuts in 2012/13 have been made in this subprogramme.

- *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 those policies. This subprogramme had a staff complement of 8 and a total budget of R2.5 million in 2011/12, of which 85.9 per cent was used for compensation of employees. In 2011/12, a report on the state of transformation in higher education was compiled and research was conducted to identify successful inclusion programmes in universities. The subprogramme will, at a projected cost of R3.6 million over the medium term, continue to place focus on the development of social inclusion indicators to help ensure that social cohesion and social inclusion are achieved in the post-school education sector in the country. Through advocacy and links with social and research partners, this programme will contribute to ensuring that skills development programmes are representative of the diverse South African population. An approved baseline cut of R129 000 in 2012/13 has been made on travel and subsistence in this subprogramme

Expenditure estimates

Table 17.6 Human Resource Development, Planning and Monitoring Coordination

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Programme Management: Human Resource Development, Planning and Monitoring Coordination	765	836	2 091	3 053	3 781	4 050	4 242
Human Resource Development, Strategic Planning and Coordination	4 226	4 412	6 484	9 035	8 458	9 698	10 349
Planning, Information, Monitoring and Evaluation Coordination	6 943	7 380	2 714	5 429	8 660	10 391	11 129
International Relations	6 906	7 561	7 376	9 712	10 249	10 957	11 615
Legal and Legislative Services	2 988	3 984	4 926	6 107	5 064	6 063	6 517
Social Inclusion in Education	5 247	5 234	2 178	2 529	4 459	4 830	5 197
Total	27 075	29 407	25 769	35 865	40 671	45 989	49 049
Change to 2011 Budget estimate				2 046	5 515	8 766	9 593

Economic classification

Current payments	24 417	26 529	23 568	33 176	37 948	43 140	46 052
Compensation of employees	15 580	19 069	20 207	26 593	34 361	38 947	41 676
Goods and services	8 837	7 460	3 361	6 583	3 587	4 193	4 376
<i>of which:</i>							
Administrative fees	24	4	12	18	6	6	7
Advertising	983	60	–	14	–	–	–
Assets less than the capitalisation threshold	40	17	22	57	119	116	117
Catering: Departmental activities	57	57	78	131	201	222	237
Communication	283	297	378	415	523	557	609
Computer services	85	1 184	9	302	291	307	318
Consultants and professional services: Business and advisory services	329	806	–	7	2	2	–
Consultants and professional services: Legal costs	–	–	689	2 180	260	290	340
Contractors	12	23	3	3	3	3	3
Agency and support / outsourced services	2 622	1 821	–	95	43	53	54
Fleet services (including government motor transport)	31	5	–	2	16	20	24
Inventory: Learner and teacher support material	–	–	17	2	–	–	–
Inventory: Materials and supplies	–	–	5	–	–	3	5
Inventory: Medical supplies	–	–	–	–	–	4	2
Inventory: Other consumables	–	–	1	4	–	2	–
Inventory: Stationery and printing	270	328	258	419	301	568	611
Lease payments	83	142	10	45	–	–	–
Property payments	12	3	24	–	3	3	3
Travel and subsistence	3 364	2 274	1 631	2 305	1 310	1 406	1 302

Table 17.6 Human Resource Development, Planning and Monitoring Coordination (continued)

Economic classification	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
<i>Training and development</i>	8	4	–	19	–	–	–
<i>Operating expenditure</i>	277	218	127	218	444	502	539
<i>Venues and facilities</i>	357	217	97	347	65	129	205
Transfers and subsidies	2 350	2 737	2 082	2 443	2 544	2 681	2 836
Departmental agencies and accounts	17	4	–	–	–	–	–
Foreign governments and international organisations	2 255	2 183	2 082	2 443	2 544	2 681	2 836
Households	78	550	–	–	–	–	–
Payments for capital assets	286	133	119	246	179	168	161
Machinery and equipment	144	114	119	246	179	168	161
Software and other intangible assets	142	19	–	–	–	–	–
Payments for financial assets	22	8	–	–	–	–	–
Total	27 075	29 407	25 769	35 865	40 671	45 989	49 049

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	17	4	–	–	–	–	–
Claims against the state	17	4	–	–	–	–	–
Foreign governments and international organisations							
Current	2 255	2 183	2 082	2 443	2 544	2 681	2 836
Indian-Brazil-South Africa Trilateral Commission	390	365	352	428	428	449	471
Commonwealth of Learning	1 865	1 818	1 730	2 015	2 116	2 232	2 365
Households							
Social benefits							
Current	78	550	–	–	–	–	–
Employee social benefits	78	550	–	–	–	–	–

Expenditure trends

Expenditure increased from R27.1 million to R35.9 million between 2008/09 and 2011/12, at an average annual rate of 9.8 per cent, and is expected to continue increasing to R49 million over the medium term, at an average annual rate of 10.9 per cent. These increases are due mainly to the provision made for the filling of critical vacant positions across the programme and increased legal fees across the department. The increases will allow a coherent career management and career information system for the post-school sector to be developed. This will include implementing 5 modules for web based career guidance systems by 2015, continuing policy development and evaluation relating to social inclusion, equity and transformation, and pursuing productive international relations through the completion of engagement reports.

The significant increases in expenditure in the *Planning, Information, Monitoring and Evaluation Coordination* subprogramme over the medium term are primarily driven by the continuing development of an integrated system for the reporting of data on skills provisioning, skills demand and skills movement in the country. The low expenditure in 2010/11 in this subprogramme was primarily due to vacant posts as the department was being established. The fluctuating trend in total spending in this programme is primarily within goods and services and is due to low expenditure in 2010/11 while the department was being established, and higher than expected legal costs related to proposed amendments to skills and further education and training legislation in 2011/12.

Spending on consultants was equivalent to 9.9 per cent of total expenditure on compensation of employees in 2011/12, and is expected to decrease from R2.7 million in 2011/12 to R340 000 in 2014/15, at an average annual rate of 49.8 per cent. This is due to higher expenditure in 2011/12 as a result of unexpected legal costs. Consultants in this programme are mainly used for legal and legislative services.

Programme 3: University Education

Objectives and measures

- Support universities through foundation and teaching development grants to increase their graduate output and monitor graduate performance annually, especially in scarce skills, by increasing the number of:
 - engineering graduates from 8 792 in 2010/11 to 15 000 in 2014/15
 - life and physical science graduates from 5 216 in 2010/11 to 15 000 in 2014/15
 - human and animal health sciences graduates from 7 294 in 2010/11 to 8 000 in 2014/15.
- Expand equitable access to and success in higher education through the allocation of earmarked grants for foundation programmes, teaching development and infrastructure development annually.
- Monitor the performance of all 23 universities annually by providing reliable planning and monitoring data through a quality higher education management information system and updating the student data bi-annually.
- Support universities to develop and enhance their research capacity and productivity through:
 - the provision of research and development grants to increase the number of graduates of masters programmes from 4 633 graduates in 2010/11 to 5 600 in 2011/12, and of doctoral programmes from 1 420 graduates in 2010/11 to 2 100 in 2011/12
 - annual increases in publication production.
- Improve access to university education opportunities in Mpumalanga and the Northern Cape by planning the operationalisation of the universities for these provinces over the medium to long term.
- Increase the number of newly qualified teachers by increasing the number of institutions providing foundation phase teacher education from 14 in 2010/11 to 20 institutions by 2014/15, and the number of graduates from initial teacher education programmes from 7 754 in 2010/11 to 12 000 in 2014/15.

Subprogrammes

- *Programme Management: University Education* manages delegated administrative and financial responsibilities and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 4 and a total budget of R1.9 million in 2011/12, of which 76.5 per cent was used for compensation of employees. No approved baseline cuts in 2012/13 have been made in this subprogramme.
- *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 had a staff complement of 20 and a total budget of R4 billion in 2011/12, of which 0.2 per cent was used for compensation of employees. The bulk of the budget is transferred to the National Student Financial Aid Scheme for university and further education and training college student loans and bursaries. There are also transfers to the National Student Financial Aid Scheme, the Council on Higher Education and Training, and the South African Qualifications Authority as a contribution to their operations. An approved baseline cut of R1.2 million in 2012/13 has been made to compensation of employees and travel and subsistence in this subprogramme.
- *University - Financial Planning and Information Systems* coordinates and manages the development and maintenance of universities' information systems and the appropriate funding framework for a diverse university system. Specific ongoing responsibilities include monitoring and assessing progress reports on the use of earmarked funds, including conducting site visits to all 23 universities at least twice a year at a cost of approximately R200 000, and ensuring the higher education information management system is properly maintained with updated data. This subprogramme had a staff complement of 13 and a total budget of R9.4 million in 2011/12, of which 65.3 per cent was used for compensation of employees. No approved baseline cuts in 2012/13 have been made in this subprogramme.
- *University - Policy and Development* regulates private university institutions and provides support for the development of universities. Specific ongoing responsibilities include monitoring and providing advice to higher education institutions on developing and enhancing research capacity, including strategies to increase the number of postgraduate students by analysing research outputs of all institutions and advising where

changes and improvements in terms of funding allocations and policy could be made. This subprogramme had a staff complement of 24 and a total budget of R13.7 million in 2011/12, of which 65.1 per cent was used for compensation of employees. In 2012/13, savings of R2.5 million, mainly from the higher education HIV/Aids project, will be reprioritised to fund the filling of vacant senior management posts in the *Vocational and Continuing Education and Training* programme.

- *Teacher Education* develops and monitors the implementation of policy, systems and programmes to ensure quality teacher education and training for producing and supporting the schooling sector, practitioners for early childhood development and the adult education and training sectors, and lecturers for universities and colleges. This subprogramme had a staff complement of 19 and a total budget of R6.1 million in 2011/12, of which 89.7 per cent was used for compensation of employees. In 2011/12, a new teacher education and development plan was completed by this unit's staff at an approximate cost of R1 million. In 2012/13, savings of R1.2 million, mainly from compensation of employees and travel and subsistence in this subprogramme, will be reprioritised to fund an international attaché for the department at the UN Educational, Scientific and Cultural Organisation in the *Administration* programme.
- *University - Subsidies* transfers payments to universities. This subprogramme does not have a staff complement. It had a total budget of R19.4 billion in 2011/12. The bulk of the budget is used for unconditional block grant transfers for the 23 universities and the funding is divided among the universities on the basis of research outputs, teaching inputs and outputs, and contextual factors, such as the number of disadvantaged students enrolled at an institution. No approved baseline cuts in 2012/13 have been made in this subprogramme.

Expenditure estimates

Table 17.7 University Education

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Programme Management: University Education	3 317	2 801	1 866	1 850	3 076	3 291	3 516
University: Academic Planning and Management	1 598 675	1 837 121	1 997 307	4 042 956	5 291 863	5 871 804	6 223 955
University: Financial Planning and Information Systems	1 966	2 601	5 631	9 360	8 417	8 966	9 545
University: Policy and Development	10 538	11 992	11 125	13 740	19 800	24 047	25 590
Teacher Education	1 126	1 074	5 246	6 051	7 949	8 584	9 230
University Subsidies	13 797 403	15 297 180	17 516 740	19 354 159	20 902 860	22 238 767	23 655 093
Total	15 413 025	17 152 769	19 537 915	23 428 116	26 233 965	28 155 459	29 926 929
Change to 2011 Budget estimate				(1 383)	157 495	310 971	411 771

Economic classification

	24 321	29 800	34 362	38 713	50 896	57 395	61 244
Current payments							
Compensation of employees	17 271	21 887	28 010	28 410	40 593	44 593	47 708
Goods and services	7 050	7 913	6 352	10 303	10 303	12 802	13 536
of which:							
Administrative fees	–	2	7	8	17	19	22
Advertising	1 011	359	198	286	237	286	295
Assets less than the capitalisation threshold	55	34	33	35	76	88	91
Bursaries: Employees	11	–	–	–	–	–	–
Catering: Departmental activities	48	41	132	264	227	251	255
Communication	280	328	460	630	668	724	740
Computer services	62	–	1	817	800	850	850
Consultants and professional services: Business and advisory services	571	1 952	271	2 356	2 618	2 611	3 036
Contractors	4	119	244	35	–	–	–
Agency and support / outsourced services	842	84	645	–	–	1 420	1 420

Table 17.7 University Education (continued)

R thousand	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Economic classification							
Current payments							
<i>Fleet services (including government motor transport)</i>	28	6	–	209	308	358	365
<i>Inventory: Stationery and printing</i>	189	327	273	486	630	684	712
<i>Lease payments</i>	40	53	41	13	56	77	80
<i>Property payments</i>	16	11	65	28	16	18	21
<i>Travel and subsistence</i>	3 586	3 721	3 509	3 340	3 134	3 750	3 986
<i>Training and development</i>	8	329	–	–	–	–	–
<i>Operating expenditure</i>	74	41	297	1 249	1 097	1 230	1 233
<i>Venues and facilities</i>	225	506	176	489	419	436	430
<i>Rental and hiring</i>	–	–	–	58	–	–	–
Transfers and subsidies	15 388 552	17 122 640	19 503 480	23 389 215	26 182 849	28 097 822	29 865 435
Departmental agencies and accounts	1 591 149	1 825 433	1 986 740	4 035 056	5 279 989	5 859 055	6 210 342
Higher education institutions	13 797 403	15 297 180	17 516 740	19 354 159	20 902 860	22 238 767	23 655 093
Households	–	27	–	–	–	–	–
Payments for capital assets	147	325	71	188	220	242	250
Machinery and equipment	143	325	71	188	220	242	250
Software and other intangible assets	4	–	–	–	–	–	–
Payments for financial assets	5	4	2	–	–	–	–
Total	15 413 025	17 152 769	19 537 915	23 428 116	26 233 965	28 155 459	29 926 929

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	1 591 149	1 825 433	1 986 740	4 035 056	5 279 989	5 859 055	6 210 342
Claims against the state	–	24	–	–	–	–	–
National Student Financial Aid Scheme	1 522 375	1 744 668	1 909 359	3 956 849	5 195 255	5 769 284	6 115 493
Council on Higher Education	31 208	41 661	36 046	36 772	39 738	41 677	44 231
South African Qualifications Authority	37 566	39 080	41 335	41 435	44 996	48 094	50 618
Households							
Social benefits							
Current	–	27	–	–	–	–	–
Employee social benefits	–	27	–	–	–	–	–
Higher education institutions							
Current	13 742 647	15 257 981	17 491 307	19 334 522	20 885 860	22 224 767	23 642 093
University subsidies	13 742 647	15 257 981	17 491 307	19 334 522	20 885 860	22 224 767	23 642 093
Capital	54 756	39 199	25 433	19 637	17 000	14 000	13 000
University subsidies	54 756	39 199	25 433	19 637	17 000	14 000	13 000

Expenditure trends

Expenditure grew from R15.4 billion in 2008/09 to R23.4 billion in 2011/12, at an average annual rate of 14.9 per cent, and is expected to increase at an average annual rate of 8.5 per cent to reach R29.9 billion in 2014/15. The growth is primarily due to increases in funding for the National Student Financial Aid Scheme and increases in 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 6.9 per cent over the MTEF period. In 2012/13, R1.8 billion will be allocated to universities for infrastructure development. This, together with an estimated R1.2 billion investment by universities, brings the total investment on infrastructure for 2012/13 to R3 billion. These funds are

earmarked for the improvement of infrastructure for architecture and the built environment, engineering, health sciences, life and physical sciences, teacher training disciplines, and for student accommodation. An additional R850 million is allocated for student accommodation at universities and other infrastructure over the MTEF period.

These transfers will support the renewing of infrastructure at universities, together with improvements in teaching services and academic programmes in institutions, and are intended to increase enrolment and graduation rates, particularly in scarce and critical skill domains such as engineering, and other science and technology fields. In particular, the total number of students enrolled in higher education institutions per year is expected to increase from 886 033 students in 2011/12 to 961 932 students in 2014/15, and the number of graduates is projected to increase from 159 115 students to 189 770 students over the MTEF period. The total number of masters graduates is expected to increase from 4 633 in 2010/11 to 5 600 in 2014/15, while the total number of doctoral graduates is expected to increase from 1 420 in 2010/11 to 2 100 in 2014/15.

R409 million has also been allocated over the medium term for the establishment of new universities in Northern Cape and Mpumalanga. These funds will be used for technical work to establish the seats of learning, including the environmental and economic impact assessments, and academic and space architecture.

Spending on consultants was 7 per cent of total expenditure on compensation of employees in 2011/12, and is expected to increase from R2 million in 2011/12 to R3 million in 2014/15. Consultants are mainly used for the higher education HIV and AIDS project and to provide financial and business advice.

Programme 4: Vocational and Continuing Education and Training

Objectives and measures

- Expand the institutional base for the provision of quality post-school education and training by registering new private education institutions and monitoring all the registered private further education and training colleges for compliance and performance each year.
- Improve participation in adult education and training by increasing the access to adult education and training for adult learners in levels 1 to 4 programmes from 214 384 learners in 2010/11 to 300 000 learners in 2014/15.
- Improve participation in vocational education for poor students by increasing the number of national certificate (vocational) bursary recipients in colleges from 58 368 recipients in 2009 to 180 826 recipients in 2014.
- Improve the vocational qualification rate by increasing the year-on-year certification rate of further education and training college students in vocational programmes by at least 5 per cent from the 2010 baseline of 24 per cent by 2014.
- Ensure credible examinations and assessment practices at further education and training colleges and adult education and training centres by monitoring and supporting examination centres annually.

Subprogrammes

- *Programme Management: Vocational and Continuing Education and Training* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 3 and a total budget of R1.4 million in 2011/12, of which 50 per cent was used for compensation of employees. An approved baseline cut of R59 000 in 2012/13 has been made to travel and subsistence in this subprogramme.
- *Planning and Institutional Support* provides the framework, coordination and support to further education and training colleges for managing, governing and delivering vocational and occupational programmes; and manages the further education and training colleges conditional grant to all provinces. It also regulates the provision of education and training by private education institutions offering qualifications in the further education and training band of the national qualifications framework. This subprogramme had a staff complement of 40 and a total budget of R4.4 billion in 2011/12, of which 0.3 per cent was used for compensation of employees. The bulk of the funding is for transfer payments in respect of the further

education and training colleges conditional grant. Key ongoing outputs are the rollout of a standard reporting requirement for all public further education and training colleges, the training of further education and training college personnel in financial management, and the development and implementation of a human resource management and planning framework for further education and training colleges. In 2011/12, R4 million was spent on these activities. An approved baseline cut of R19.1 million in 2012/13, R20.6 million in 2013/14 and R40.3 million in 2014/15 was identified in the further education and training colleges conditional grant. These cuts will be offset by additions available through reprioritisation from the National Skills Fund contribution in the *Skills Development* programme. The net reduction in the further education and training colleges conditional grant will thus be zero in 2012/13 and 2013/14, and R18.3 million in 2014/15. In addition, an approved baseline cut of R161 000 in 2012/13 has been made on travel and subsistence in this subprogramme.

- *Programmes and Qualifications* develops and maintains vocational education and training programmes, provides for implementing the student support services framework, provides leadership and support for training and developing lecturers, and administers and manages the conduct of national assessments, such as site based assessments and examinations, in both the further education and training and the adult education and training sectors. This subprogramme had a staff complement of 167 and a total budget of R162.5 million in 2011/12, of which 76.5 per cent was used for compensation of employees. Key ongoing outputs are: providing national assessment instruments for recognised offerings at further education and training colleges and adult education and training centres; monitoring the conduct of assessment practices at colleges and adult education and training examination centres; and evaluating the offerings of further education and training colleges and adult education and training centres. Providing national assessment instruments involves appointing exam panels and setting, printing and delivering question papers and site based assessment tasks to nationally accredited examination centres for further education and training colleges and adult education and training centres. Question papers are provided for the nine examination cycles in an academic year. R40 million will be spent on these examination processes in 2011/12. Over the medium term, the focus will continue to be on increasing the certification rates of students in vocational programmes and the delivery of credible examinations at a cost of approximately R550 million. An approved baseline cut of R175 000 in 2012/13 has been made on travel and subsistence in this subprogramme.

Expenditure estimates

Table 17.8 Vocational and Continuing Education and Training

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Programme Management: Vocational and Continuing Education and Training	2 210	835	343	1 446	3 404	3 652	3 904
Planning and Institutional Support	3 015 648	3 165 459	3 818 754	4 390 258	4 775 995	5 335 769	5 637 503
Programmes and Qualifications	94 672	95 141	123 773	162 518	170 801	189 019	196 492
Total	3 112 530	3 261 435	3 942 870	4 554 222	4 950 200	5 528 440	5 837 899
Change to 2011 Budget estimate				78 784	60 986	65 508	47 192

Economic classification

	106 167	102 053	138 531	178 248	191 701	209 484	218 282
Current payments							
Compensation of employees	63 057	66 860	96 462	133 549	135 067	152 557	159 428
Goods and services	43 110	35 193	42 069	44 699	56 634	56 927	58 854
of which:							
Administrative fees	17	2	–	–	–	–	–
Advertising	386	121	26	100	35	45	45
Assets less than the capitalisation threshold	79	47	92	40	116	134	137
Audit cost: External	–	–	6	–	–	–	–
Catering: Departmental activities	461	301	1 379	617	554	577	589
Communication	1 296	934	506	1 215	5 419	5 473	5 925
Computer services	5 593	7 305	9 148	9 595	10 694	10 713	10 722
Consultants and professional services:	221	156	–	388	2 000	–	–
Business and advisory services							
Contractors	39	273	20	21	40	49	51

Table 17.8 Vocational and Continuing Education and Training (continued)

R thousand	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Economic classification							
Current payments	106 167	102 053	138 531	178 248	191 701	209 484	218 282
<i>Agency and support / outsourced services</i>	2 454	71	44	–	–	–	–
<i>Fleet services (including government motor transport)</i>	129	96	–	2	267	279	285
<i>Inventory: Learner and teacher support material</i>	–	2	–	–	–	–	–
<i>Inventory: Materials and supplies</i>	–	12	2	–	5	6	6
<i>Inventory: Other consumables</i>	–	14	72	43	–	–	–
<i>Inventory: Stationery and printing</i>	3 292	5 158	8 923	4 224	5 831	5 914	6 037
<i>Lease payments</i>	2 892	3 922	3 573	3 399	5 698	5 714	5 723
<i>Property payments</i>	25	28	158	10	67	73	79
<i>Travel and subsistence</i>	18 099	11 535	13 014	19 943	14 529	16 558	17 248
<i>Training and development</i>	429	–	–	–	–	–	–
<i>Operating expenditure</i>	5 144	4 543	4 970	4 655	5 239	5 245	5 250
<i>Venues and facilities</i>	2 554	673	136	447	6 140	6 147	6 757
Transfers and subsidies	3 005 860	3 155 288	3 803 962	4 375 311	4 757 271	5 317 702	5 618 198
Provinces and municipalities	3 005 826	3 155 276	3 803 958	4 375 311	4 757 271	5 317 702	5 618 198
Departmental agencies and accounts	6	1	–	–	–	–	–
Households	28	11	4	–	–	–	–
Payments for capital assets	427	4 003	377	663	1 228	1 254	1 419
Machinery and equipment	396	241	377	663	1 228	1 254	1 419
Software and other intangible assets	31	3 762	–	–	–	–	–
Payments for financial assets	76	91	–	–	–	–	–
Total	3 112 530	3 261 435	3 942 870	4 554 222	4 950 200	5 528 440	5 837 899

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	6	1	–	–	–	–	–
Claims against the state	6	1	–	–	–	–	–
Households							
Social benefits							
Current	28	11	4	–	–	–	–
Employee social benefits	28	11	4	–	–	–	–
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	3 005 826	3 155 276	3 803 958	4 375 311	4 757 271	5 317 702	5 618 198
Further education and training colleges grant	2 210 656	3 155 276	3 803 958	4 375 311	4 757 271	5 317 702	5 618 198
Further education and training colleges sector recapitalisation grant	795 170	–	–	–	–	–	–

Expenditure trends

Between 2008/09 and 2011/12, expenditure increased from R3.1 billion to R4.6 billion, at an average annual rate of 13.5 per cent, and is expected to increase to R5.8 billion over the medium term at an average annual rate of 8.6 per cent. The increase in both periods is due mainly to additions to the further education and training colleges conditional grant to increase the enrolment at these colleges and fund the necessary oversight required for the conditional grant. The additional funding enabled an increase in enrolment in further education and

training colleges from 61 320 in 2008/09 to 210 971 in 2011/12. Over the medium term, the allocation is expected to allow enrolment to increase to 246 681.

Spending on consultants was 0.3 per cent (R388 000) of total expenditure on compensation of employees in 2011/12, and is expected to decrease to zero in 2014/15, as department personnel take responsibility for all activities previously carried out by consultants. Consultants are mainly used for examination services.

Programme 5: Skills Development

Objectives and measures

- Promote quality learning at work and for work by:
 - providing a dynamic interface between the workplace and learning institutions such as further education and training colleges and universities of technology by 2014/15
 - identifying the number of competent artisan candidates in the country by 2014/15
 - ensuring that the number of artisan learners registered for training by sector education and training authorities increases from 30 000 in 2011/12 to 33 000 in 2014/15.
- Promote the alignment of skills development outputs with the needs of the workplace and with the broader growth needs of the country's economy by approving the strategic plans of the sector education and training authorities and ensuring that they are in line with the sector skills plans over the MTEF period.

Subprogrammes

- *Programme Management: Skills Development* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 4 and a total budget of R5.3 million in 2011/12, of which 90.9 per cent was used for compensation of employees. No approved baseline cuts in 2012/13 have been made in this subprogramme.
- *SETA Coordination* supports, monitors and reports on the implementation of the national skills development strategy at the sectoral level by establishing and managing the performance of service level agreements with sector education and training authorities. This subprogramme had a staff complement of 256 and a total budget of R74.8 million in 2011/12, of which 77.3 per cent was used for compensation of employees. Key ongoing activities include managing and coordinating national artisan development and specialised technical training, which includes conducting 10 000 trade tests at the institute for the National Development of Learnerships, Employment Skills and Labour Assessments, at a projected cost of R49.7 million in 2012/13. In 2012/13, an approved baseline cut of R2.5 million and savings of R1.9 million have been made on compensation of employees and travel and subsistence in this subprogramme. The savings will be reprioritised to fund the filling of vacant posts in the *Human Resource Development, Planning and Monitoring Coordination* programme.
- *National Skills Development Services* manages projects identified in the national skills development strategy, and advises the minister on national skills development policy and strategy. This subprogramme had a staff complement of 9 and a total budget of R25.7 million in 2011/12, of which 14.8 per cent was used for compensation of employees. Key ongoing outputs include the effective monitoring of the implementation of the third national skills development strategy, which charts the way forward for skills development over the medium term, at a projected cost of R20.4 million. R37.9 million in 2012/13, R46.4 million in 2013/14 and R49.1 million in 2014/15 will be reprioritised from the departmental contribution to the National Skills Fund, as the portion received for administration from the skills levy funds is sufficient for its operations. These funds will be reprioritised to improve operational capacity across the department and contribute to the further education and training colleges grant. No approved baseline cuts in 2012/13 have been made in this subprogramme.
- *Quality Development and Promotion* transfers funds to the Quality Council for Trades and Occupations as a contribution to their operations. This subprogramme had no staff complement and a total budget of R26.9 million in 2011/12. No approved baseline cuts in 2012/13 have been made to this subprogramme.

Expenditure estimates

Table 17.9 Skills Development

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Programme Management: Skills Development	–	–	2 655	5 328	3 432	3 674	3 926
SETA Coordination	65 054	75 662	68 312	74 831	70 610	75 312	80 203
National Skills Development Services	63 696	60 574	58 762	25 722	5 810	7 038	7 510
Quality Development and Promotion	1 795	1 282	1 629	26 889	20 216	21 412	22 717
Total	130 545	137 518	131 358	132 770	100 068	107 436	114 356
Change to 2011 Budget estimate				4 517	(42 835)	(50 253)	(52 794)

Economic classification

	80 391	79 868	79 145	76 923	75 158	82 418	87 874
Current payments							
Compensation of employees	50 093	57 485	65 069	66 469	65 392	70 302	75 220
Goods and services	30 298	22 383	14 076	10 454	9 766	12 116	12 654
<i>of which:</i>							
Administrative fees	–	3	–	10	–	–	–
Advertising	796	9	114	57	350	396	277
Assets less than the capitalisation threshold	980	394	64	379	561	871	947
Audit cost: External	–	516	–	–	–	–	–
Bursaries: Employees	9	–	–	–	–	–	–
Catering: Departmental activities	343	267	359	278	341	474	599
Communication	869	881	679	1 037	887	1 126	1 342
Computer services	7 377	486	309	275	290	410	370
Consultants and professional services: Business and advisory services	469	1 295	5	29	260	273	300
Contractors	321	194	278	93	58	71	52
Agency and support / outsourced services	144	79	1 339	927	365	507	620
Entertainment	25	23	–	–	–	–	–
Fleet services (including government motor transport)	–	–	–	21	5	8	10
Inventory: Food and food supplies	1 720	3 508	1 209	642	100	600	650
Inventory: Fuel, oil and gas	135	248	83	68	40	90	100
Inventory: Learner and teacher support material	–	–	1	–	–	–	–
Inventory: Materials and supplies	5 333	4 428	3 358	1 613	1 000	1 013	1 000
Inventory: Medical supplies	14	36	–	10	3	12	2
Inventory: Other consumables	670	1 302	528	431	200	400	300
Inventory: Stationery and printing	2 083	1 727	923	1 092	282	1 245	1 247
Lease payments	458	467	479	410	1 157	197	159
Property payments	532	1 309	596	540	860	973	1 186
Travel and subsistence	4 373	2 549	2 888	2 070	2 405	2 728	2 722
Training and development	1 036	903	10	–	–	–	–
Operating expenditure	210	371	104	141	212	327	251
Venues and facilities	2 401	1 388	750	331	390	395	520
Transfers and subsidies	47 069	49 030	51 848	46 859	20 216	21 412	22 717
Departmental agencies and accounts	46 949	48 951	51 731	46 859	20 216	21 412	22 717
Households	120	79	117	–	–	–	–
Payments for capital assets	3 085	8 620	365	8 988	4 694	3 606	3 765
Buildings and other fixed structures	643	1 862	–	–	–	–	–
Machinery and equipment	2 442	6 758	365	8 988	4 694	3 606	3 765
Total	130 545	137 518	131 358	132 770	100 068	107 436	114 356

Table 17.9 Skills Development (continued)

R thousand	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	46 949	48 951	51 731	46 859	20 216	21 412	22 717
National Skills Fund	46 949	48 951	51 731	19 970	–	–	–
Quality Council for Trades and Occupations	–	–	–	26 889	20 216	21 412	22 717
Households							
Social benefits							
Current	120	79	117	–	–	–	–
Employee social benefits	120	79	117	–	–	–	–

Expenditure trends

Expenditure increased marginally from R130.5 million in 2008/09 to R132.8 million in 2011/12, at an average annual rate of 0.6 per cent. This corresponds to the growth, from 17 228 in 2008/09 to 30 000 in 2011/12, in the number of artisan learners registered for training by sector education and training authorities. Over the same period, the number of artisans taking trade tests grew from 8 337 to 10 000.

Over the medium term, expenditure is expected to decrease to R114.4 million, at an average annual rate of 4.9 per cent. Nonetheless, the number of artisans participating in trade tests is expected to remain constant over the medium term at 10 000 and the number of artisan learners registered for training by sector education and training authorities is expected to grow from 30 000 in 2011/12 to 33 000 in 2014/15. The decrease in expenditure over the medium term is primarily due to the cessation of the department's contribution to the National Skills Fund in the *National Skills Development Services* subprogramme as from 2012/13. These funds will be reprioritised to address the filling of critical posts in the department, and to offset the approved baseline cut made to the further education and training colleges grant. The delay in the formal establishment of the Quality Council for Trades and Occupations as a public entity in 2010/11 led to a rollover of R8.5 million being approved for its establishment in 2011/12. In the *Quality Development and Promotion* subprogramme this accounts for the expenditure of R26.9 million in 2011/12, and the decrease in expenditure to R22.7million over the medium term, at an average annual rate of 5.5 per cent.

Payments for capital assets increased from R3.1 million in 2008/09 to R9 million in 2011/12, at an average annual rate of 42.8 per cent, due to required maintenance and an upgrade to the security systems at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments. As these projects are completed, expenditure on payments for capital assets is expected to decrease to R3.8 million over the MTEF period, at an average annual rate of 25 per cent.

Spending on consultants was 0.04 per cent of total expenditure on compensation of employees in 2011/12, and is expected to grow from R29 000 to R300 000 over the medium term, at an average annual rate of 117.9 per cent. Consultants are mainly used for skills development services.

Public entities and other agencies

National Student Financial Aid Scheme

Overview: 2008/09 – 2014/15

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 undergo continuing restructuring based on the recommendations from a 2009/10 review conducted on the organisation and its operations, including the strengthening of the scheme's financial and IT oversight capacity. An administration programme conducts the overall management, administration and governance of the entity. The transfers to universities and colleges are included in the student centred financial aid programme, which also enables the provision of financial aid to an increasing number of eligible students by designing and implementing a new student centred operating model and enhancing the financial aid environment with policy recommendations for new financial aid programmes.

Funds recovered from the repayment of loans increased from R555.7 million in 2008/09 to R637.8 million in 2010/11. As the scheme improves its debt recovery and collection strategy as part of its restructuring programme, recoveries are anticipated to be in excess of R1 billion by 2014/15.

Performance

The scheme will work to improve access to funding for students through the design and implementation of a student centred loans and bursary model. The number of students assisted with National Student Financial Aid Scheme funding (bursaries and loans) increased by 25.9 per cent, from 118 160 in 2008/09 to 148 734 in 2010/11, and is projected to increase to 605 914 students by 2014/15. Included in these figures are Funza Lushaka bursary recipients, who have increased in number from 5 190 in 2008/09 to 8 800 in 2011/12, and are projected to increase to 12 500 by 2014/15. In the further education and training bursary recipient category, the scheme assisted 61 703 students in 2010/2011. This number is expected to reach 78 500 by 2014/15.

Selected performance indicators

Table 17.10 National Student Financial Aid Scheme

Indicator	Programme/ Activity/Objective/ Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of students assisted in higher education per year	Student centred financial aid	118 160	135 586	148 734	198 750	288 188	417 872	605 914
Percentage of courses passed by loan recipients	Student centred financial aid	77%	74%	75%	75%	75%	75%	75%
Funds recovered from previous loan recipients per year	Administration	R556m	R636m	R638m	R650m	R842m	R932m	R1 024m
Total number of Funza Lushaka bursary recipients per year	Student centred financial aid	5 190	9 192	10 074	8 800	11 500	14 500	12 500
Total number of further education and training college bursary recipients per year	Student centred financial aid	35 352	55 173	61 703	66 250	69 560	73 030	78 500

Programmes/activities/objectives

Table 17.11 National Student Financial Aid Scheme

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Programme 1: Administration	20 389	24 645	32 302	44 880	41 853	43 132	44 420
Programme 2: Student centred financial aid	1 450 620	2 671 372	3 083 445	3 925 216	4 899 438	5 402 707	5 733 376
Total expense	1 471 009	2 696 017	3 115 747	3 970 096	4 941 291	5 445 839	5 777 796

The National Student Financial Aid Scheme had a total budget of R4 billion in 2011/12, of which 98.9 per cent was used for student centred financial aid.

Savings and cost effectiveness measures

The scheme has identified a number of interventions to be implemented by 2014 that are expected to result in greater cost effectiveness. These include an improved human resource strategy, new IT infrastructure, a student

centred operating model, and an enhanced credit management and loan recovery strategy. These measures will improve the efficiency of internal operations and increase the efficiency of the administration of loans and bursaries over the medium term. The improved workflow management technology and processes and the uploading of student data directly from institutions to a central server will lead to reductions in funds used for temporary staff and outsourced services. Finally, it is anticipated that the more effective tracing of debtors will lead to reductions in running costs and increased funds from loan recovery. These savings are projected to be R7 million in 2012/13, R5 million in 2013/14 and R2 million in 2014/15.

Expenditure estimates

Table 17.12 National Student Financial Aid Scheme

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	590 231	546 524	575 220	624 512	655 738	688 524	722 952
<i>Interest on investments and student loans</i>	590 231	546 524	575 220	624 512	655 738	688 524	722 952
Transfers received	1 969 080	2 569 138	2 857 493	5 373 595	6 701 036	7 370 043	7 817 601
Total revenue	2 559 311	3 115 662	3 432 713	5 998 107	7 356 774	8 058 567	8 540 552
Expenses							
Current expenses	42 945	1 107 899	1 249 790	79 276	83 584	87 254	90 748
Compensation of employees	16 757	18 734	23 837	26 499	35 419	37 544	39 421
Goods and services	25 117	1 085 975	1 224 676	49 809	44 320	46 728	49 065
Depreciation	1 071	3 188	1 274	2 968	3 845	2 981	2 261
Interest, dividends and rent on land	–	2	3	–	–	–	–
Transfers and subsidies	1 428 064	1 588 118	1 865 957	3 890 820	4 857 707	5 358 585	5 687 049
Total expenses	1 471 009	2 696 017	3 115 747	3 970 096	4 941 291	5 445 839	5 777 796
Surplus / (Deficit)	1 088 302	419 645	316 966	2 028 012	2 415 483	2 612 728	2 762 756

Expenditure trends

The spending focus over the medium term will continue to be on the provision of loans and bursaries to higher education and further education and training students. The scheme generates revenue mainly from transfers received from the Department of Higher Education and Training. It also receives funds from the Department of Basic Education for the Funza Lushaka bursaries for prospective teachers and from the Department of Social Development for bursaries for prospective social workers. Total revenue increased from R2.6 billion in 2008/09 to R6 billion in 2011/12, at an average annual rate of 32.8 per cent, and is expected to increase further to R8.5 billion in 2014/15, at an average annual rate of 12.5 per cent. The additional funding will increase the number of students in higher education that the scheme is able to assist, from 198 750 in 2011/12 to 605 914 in 2014/15, and increase the number of further education and training college bursary recipients per year from 66 250 in 2011/12 to 78 500 in 2014/1. The objective is to improve access to education and training opportunities for disadvantaged students and allow increases in enrolment in higher education and further education and training.

Expenditure increased from R1.5 billion in 2008/09 to R4 billion in 2011/12, at an average annual rate of 39.2 per cent, due mainly to increased transfers for university and further education and training college loans and bursaries. Expenditure is expected to increase to R5.8 billion over the medium term, at an average annual rate of 13.3 per cent. The increased expenditure in goods and services in 2009/10 and 2010/11 was due to downward revisions to the fair value of the loan book resulting from an actuarial revaluation.

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.

Over the MTEF period, expenditure on compensation of employees is expected to increase from R26.5 million to R39.4 million, at an average annual rate of 14.2 per cent, due mainly to the necessary organisational

restructuring of the scheme to ensure more efficient administration of the increased loans and bursaries being administered by the scheme. Consultants are engaged on once-off organisational change and support projects if required and are not used to fill vacant posts. R5.1 million was spent on consultants in 2011/12, mainly for business development and management services for the organisational turnaround strategy.

Personnel information

Table 17.13 National Student Financial Aid Scheme

	Post status as at 30 September 2011			Number of personnel posts filled/planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	6	6	5	1	1	3	1	5	5	5
Senior management	6	6	2	6	5	6	4	7	8	9
Middle management	24	24	5	8	11	12	19	23	24	25
Professionals	5	5	–	1	1	3	5	5	6	9
Skilled	2	2	2	10	10	10	–	3	5	8
Semi-skilled	88	88	9	63	60	98	79	91	98	118
Very low skilled	5	5	–	–	–	–	5	5	5	5
Total	136	136	23	89	88	132	113	139	151	179
Compensation (R thousand)				16 757	18 734	23 837	26 499	35 419	37 544	39 421
Unit cost (R thousand)				188	213	181	235	255	249	220

1. As at 30 September 2011.

As at the 30 September 2011, the scheme had an establishment of 136 posts, all of which were funded. The establishment is expected to grow to 179 by 2014/15 to meet the increasing volume of loans and bursaries being granted annually. As at 30 September 2011, 113 posts were filled. Of the 23 funded vacancies, 5 were in executive management, 2 in senior management, 5 in middle management, 2 were skilled and 9 were semi-skilled.

While capacity issues were a problem in the past, the filling of the posts of chief executive officer and chief financial officer in 2011/12 has ensured that appropriate controls have been put in place to enhance the scheme's efficiency in administering loans and bursaries.

The ratio of support staff to line staff was 1:5 and is expected to remain within this level over the MTEF period. An estimated 46 consultants were used at various times throughout 2011/12, with the consultant to total personnel ratio being approximately 2:5.

Sector education and training authorities

Overview 2008/09 – 2014/15

The sector education and training authorities are constituted by the Skills Development Act (1998). The authorities implement sector skills plans to develop appropriate skills, develop and register learning programmes, and distribute skills development levy funds. The responsibility for oversight of the organisations has moved from the Department of Labour to the Department of Higher Education and Training, as part of the macro reorganisation of the state in 2009.

The mandate of the authorities, among others, is to: develop and improve the skills of the South African workforce; provide an institutional framework to devise and implement national, sectoral and workplace strategies; integrate those strategies into the national qualifications framework; provide for learnerships that lead to recognised occupational qualifications; provide for financing skills development by means of a levy grant scheme and a National Skills Fund; and provide for and regulate employment services.

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 (1998); discretionary grants as contemplated in regulation 7 of the act; and mandatory grants, as contemplated in regulation 6 of the act. In addition, a new grant category for professional vocational technical and academic learning programmes is

introduced. Ten per cent funding for mandatory grant projects is ringfenced for professional, vocational, technical and academic learning programmes in terms of the regulations. These programmes will provide a full occupationally directed qualification, which normally begins in a college or university and includes supervised practical learning in a workplace as part of the requirements. Professional, vocational, technical and academic programmes will be offered by arrangement between an authority, an educational institution, an employer and a learner.

These objectives are meant to ensure that the sector skills plans and strategic plans of the various training authorities are aligned with those of the department and other critical stakeholders, such as the Quality Council for Trade and Occupations.

Performance

The third national skills development strategy outlines the goals for skills development. Two key indicators previously reported in terms of the earlier version of the strategy are the number of youth supported through new venture creation projects (by 2010/11, this had decreased to 2 092 from 3 406) and the number of additional ventures sustainable 12 months after intervention (by 2010/11, the number had increased to 4 215 from 1 475 in 2008/09). The authorities have begun to track two new indicators relating to the registration of learnerships and artisans. The number of learnerships registered per year had a target of 8 294 for 2011/12, which is projected to grow to 20 000 over the medium term, in line with the implementation of the third national skills development strategy. Similarly, the number of artisans registered for training by the sector education and training authorities had a target of 30 000 per year for 2011/12, and is projected to increase to 33 000 by 2014/15.

Selected performance indicators

Table 17.14 Sector education and training authorities

Indicator	Programme/ Activity/Objective/ Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of additional youth supported through new venture creation programmes each year	Discretionary	3 406	3 406	2 092	- ¹	- ¹	- ¹	- ¹
Number of additional ventures sustainable 12 months after completion of the programme each year	Discretionary	1 475	3 408	4 215	- ¹	- ¹	- ¹	- ¹
Number of learnerships registered per year	Discretionary			- ²	8 294	20 000	20 000	20 000
Number of artisan learners registered for training by sector education and training authorities each year	Discretionary			- ²	30 000	31 000	32 000	33 000

1. These indicators were formed in line with the old national skills development strategy (2) and as a result have no projections going forward.

2. These indicators are new, relating to the national skills development strategy 3 and therefore have no actual outcomes for 2008/09 – 2010/11.

Programmes/activities/objectives

The sector education and training authorities had a total budget of R8.7 billion in 2011/12, of which 40.9 per cent was used for mandatory grants.

Savings and cost effectiveness measures

Efficiencies on administration costs improved in 2010/11 through the prudent use of funds and the use of economy flights, which has reduced spending on travel. Savings were also identified through the use of further education and training colleges and universities' facilities for conducting research on sector skills plans and providing training, instead of hiring private conference venues for the same purpose.

Expenditure estimates

Table 17.15 Sector education and training authorities

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	674 356	521 471	436 975	400 100	391 689	387 070	356 629
Sale of goods and services other than capital assets of which:	757	749	167	–	–	–	–
<i>Sales by market establishments</i>	464	491	167	–	–	–	–
<i>Other sales</i>	293	258	–	–	–	–	–
<i>Other non-tax revenue</i>	673 599	520 722	436 808	400 100	391 689	387 070	356 629
Skills development levy	5 698 172	6 173 912	6 626 080	7 459 663	7 809 538	8 237 217	8 728 875
Total revenue	6 372 528	6 695 383	7 063 055	7 859 763	8 201 227	8 624 287	9 085 504
Expenses							
Current expenses	697 372	803 684	903 590	1 013 264	1 087 377	1 154 052	1 179 876
Compensation of employees	348 290	398 393	474 311	517 786	562 374	599 050	638 559
Goods and services	323 155	384 337	411 423	478 516	506 201	535 729	521 652
Depreciation	25 927	20 954	17 856	16 961	18 802	19 272	19 666
Transfers and subsidies	4 575 827	5 776 352	5 794 230	7 711 659	7 450 298	7 684 794	7 912 763
Total expenses	5 273 199	6 580 035	6 697 820	8 724 923	8 537 675	8 838 846	9 092 639
Surplus / (Deficit)	1 099 329	115 348	365 235	(865 160)	(336 448)	(214 559)	(7 135)

Expenditure trends

Over the medium term, the authorities' expenditure will be focused on the implementation of the third national skills development strategy. The direct charges received by the individual authorities will be used to achieve the objectives of the strategy. Revenue is expected to grow from R6.4 billion in 2008/09 to R9.1 billion in 2014/15, at an average annual rate of 6.1 per cent. The skills development levy collected by the South African Revenue Service and transferred to the authorities accounts for 95.6 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 is expected to grow from R5.3 billion to R9.1 billion, at an average annual rate of 9.5 per cent. The increase is driven mainly by payments relating to skills development programmes. Between 2008/09 and 2011/12, spending in compensation of employees grew from R348.3 million in 2008/09 to R517.8 million in 2011/12, at an average annual rate of 14.1 per cent, due to higher salary adjustments, and is projected to grow to R638.6 million in 2014/15, at an average annual rate of 7.2 per cent. Spending on goods and services increased at an average annual rate of 14 per cent, from R323.2 million in 2008/09 to R478.5 million in 2011/12, mainly due to increased spending on travel and subsistence, venues and facilities, and training and staff development. Over the medium term, expenditure on goods and services is expected to increase at an average annual rate of 2.9 per cent, due to savings and cost effectiveness measures imposed on non-core goods and services items, to reach R521.7 million in 2014/15.

The surpluses accumulated over the seven-year period are because of expenditure on skills development programmes being much lower than the skills levy collected. Skills development programmes consume 88.9 per cent of total revenue received.

Personnel information

As at 30 September 2011, the 21 authorities had a consolidated establishment of 1 716.

National Skills Fund

Overview: 2008/09 – 2014/15

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 third national skills development strategy; funding projects related to the achievement of the purpose of the act as determined by the accounting authority; and administering the fund.

Key objectives 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 national skills development 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 implementation of the third national skills development strategy started in April 2011. As a result, the fund's funding windows have been revised to give expression to the updated strategy. The performance indicators relating to the previous version of the strategy have also been phased out and two new indicators were introduced in 2011/12.

Performance

The number of projects supported by the National Skills Fund is projected to grow from 215 in 2011/12, to 400 in 2014/15, in line with the goals of the revised strategy. Similarly, the number of learners trained by the projects supported by the fund is expected to increase from 37 793 in 2011/12 to 45 000 in 2014/15.

Selected performance indicators

Table 17.16 National Skills Fund

Indicator	Programme/Activity/Objective/ Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new postgraduate bursaries awarded	Critical skills support	1 500	1 088	856	- ²	- ²	- ²	- ²
Number of new registered adult basic education and training learners who have completed the programme	Adult basic education and training	18 715	44 803	0	- ²	- ²	- ²	- ²
Number of projects supported by the National Skills Fund	Linked to human resource development strategy for South Africa, ministerial, government priorities, director general priorities and skills infrastructure objectives of the National Skills Fund	- ¹	- ¹	- ¹	215	262	350	400
Number of learners trained by the National Skills Fund projects	Linked to human resource development strategy for South Africa, ministerial, government priorities, director general priorities and skills infrastructure objectives of the National Skills Fund	- ¹	- ¹	- ¹	37 793	32 179	40 000	45 000

1. These indicators are new, relating to the national skills development strategy 3 and therefore have no actual outcomes for 2008/09 – 2010/11.

2. These indicators were formed in line with the old national skills development strategy (2) and as a result have no projections going forward.

Programmes/activities/objectives**Table 17.17 National Skills Fund**

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Operations	81 890	82 364	68 811	174 129	201 554	205 768	218 164
National skills development strategy	848 427	476 429	564 373	600 970	–	–	–
Human resource development strategy for South Africa Ministerial	–	–	–	55 226	58 751	62 501	66 490
Government priorities	–	–	–	55 611	59 160	62 937	66 954
Director General priorities	–	–	–	967 000	1 700 000	2 000 000	2 500 000
Skills infrastructure	–	–	–	300 544	320 000	340 000	360 000
	–	–	–	40 000	42 553	45 269	48 159
Total expense	930 317	558 793	633 184	2 193 480	2 382 018	2 716 475	3 259 767

The National Skills Fund had a total budget of R2.2 billion in 2011/12, of which 44.1 per cent was used for government priorities contained in the third national skills development strategy.

Savings and cost effectiveness measures

The fund has targeted areas of expenditure where savings of R600 000 will be made over the medium term, including reducing travel and accommodation costs by limiting the size of delegations when travelling is required, limiting the number of participants at workshops and limiting the frequency of advertising.

Expenditure estimates**Table 17.18 National Skills Fund**

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	405 019	384 039	382 873	343 802	378 182	398 982	424 449
<i>Other non-tax revenue</i>	405 019	384 039	382 873	343 802	378 182	398 982	424 449
Transfers received	1 493 776	1 612 062	1 726 886	1 849 715	1 921 233	2 026 901	2 148 515
Total revenue	1 898 795	1 996 101	2 109 759	2 193 517	2 299 415	2 425 883	2 572 964
Expenses							
Current expenses	81 890	82 364	68 811	75 338	92 884	91 121	96 588
Compensation of employees	11 764	13 854	12 892	26 188	39 280	41 751	44 271
Goods and services	70 126	68 510	55 919	49 150	53 604	49 370	52 317
Transfers and subsidies	848 427	476 429	564 373	2 118 142	2 289 134	2 625 354	3 163 179
Total expenses	930 317	558 793	633 184	2 193 480	2 382 018	2 716 475	3 259 767
Surplus / (Deficit)	968 478	1 437 308	1 476 575	37	(82 603)	(290 592)	(686 803)

Expenditure trends

Over the medium term, the fund's expenditure will be focused on the implementation of the third national skills development strategy. The direct charges received by the fund will be used to achieve the objectives of the strategy.

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. Between 2008/09 and 2011/12, total revenue received grew from R1.9 billion to R2.2 billion, at an average annual rate of 4.9 per cent. Revenue is projected to grow to R2.6 billion over the medium term, at an average annual rate of 5.5 per cent, in line with the projected increased receipts of the skills development levy.

Expenditure increased substantially from R930.3 million in 2008/09 to R2.2 billion in 2011/12, at an average annual rate of 33.1 per cent. This growth was driven mainly by payments for skills development projects aligned

with the second national skills development strategy and the implementation of the third skills development strategy. Spending over the MTEF period is expected to increase to R3.3 billion in 2014/15, at an average annual rate of 14.1 per cent, due to the new goals indicated in the third national skills development strategy.

Between 2008/09 and 2011/12, spending on compensation of employees grew at an average annual rate of 30.6 per cent, due to new appointments and salary adjustments. Spending on this item from 2012/13 onwards is expected to continue to increase as a result of the implementation of the third national skills development strategy. This presents the fund with an opportunity to spend much more than it could in the past, through an even broader skills delivery system in the country.

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 2011/12 and over the MTEF period to fund these projected deficits.

Personnel information

As at 30 September 2011, the fund had an approved establishment of 50, all of which were funded. The fund had 39 filled posts and 11 vacant posts, which the fund plans to fill in 2012/13. 5 of the vacant posts were middle management level posts and 6 are semi-skilled posts. The ratio of support staff to core function staff is approximately 1:1.

Council on Higher Education

Overview: 2008/09 – 2014/15

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, from its function as an advisory institution that monitors and evaluates the achievement of South African higher education policy and goals, to a quality council for higher education. This new function mandates it to audit higher education institutions, accredit programmes offered, including the development of the higher education qualifications framework, and set standards.

Over the medium term, the council's priorities are to develop a new framework for quality assurance of higher education institutions and programmes, and to strengthen its monitoring and evaluation role. This will include focusing institutional audits on teaching and learning, aligning existing programmes with the higher education qualification framework, and developing and implementing a standards setting framework.

The focus over the medium term will shift to monitoring the development and finalisation of institutional improvement plans linked to the findings of the audits, and implementing the next round of institutional audits, which will be piloted in 2012/13. Three audits are planned for 2012/13, followed by four and six audits in subsequent years. The council also aims to submit 100 per cent of programmes received to the Higher Education Qualification Council for approval.

Performance

The first cycle of institutional audits, which began in 2004, has been completed. This included the auditing of 22 public and 10 private higher education institutions. In 2010/11, the council released a proposed framework for standards setting for public comment, which will be finalised in 2012. In 2012/13, standards will be developed for a selected number of qualifications and 7 of these will be piloted, with this number increasing annually. The number of programmes accredited annually is growing and, over the next 3 years, attention will shift to aligning existing qualifications (about 20 000) with the revised higher education qualifications framework.

Selected performance indicators

Table 17.19 Council on Higher Education

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of pilots for development of standards per year ¹	Standard development	–	–	–	–	7	10	12
Number of institutional audits conducted per year	Institutional audits	5	2	2	1	3	4	6
Percentage (and number) of candidacy phase programmes submitted for approval by the Higher Education Qualifications Council per year	Accreditation	98% (130)	97% (146)	97% (288)	98% (400)	100%	100%	100%

1. This is a new indicator, reflecting the council's expanded mandate. There are therefore no outputs before 2012/13.

Programmes/activities/objectives

Table 17.20 Council on Higher Education

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
CEO's office	5 110	2 951	3 038	4 548	4 440	4 697	4 948
Corporate services	7 668	14 663	13 827	12 883	12 525	13 018	14 220
Monitoring and evaluation	3 082	4 463	4 225	3 652	2 641	2 799	2 954
ED: Quality assurance	2 535	3 023	3 167	5 022	3 997	4 014	4 156
Institutional audits	4 621	3 699	5 605	4 117	4 763	4 995	5 610
Accreditation	3 865	4 306	5 687	7 691	10 399	10 914	11 462
National reviews	2 569	69	15	1 159	2 906	3 125	2 559
Standard development	–	–	55	2 030	3 281	3 316	3 467
Quality promotion and capacity development	2 982	1 928	574	–	–	–	–
Total expense	32 432	35 102	36 193	41 102	44 952	46 878	49 376

The Council on Higher Education had a total budget of R41.1 million in 2011/12, of which 31.3 per cent was used for corporate services.

Savings and cost effectiveness measures

The council is currently reviewing all administrative policies, procedures and contracts with service providers to ensure cost savings. The council is introducing a new fee structure based on cost recovery for accrediting programmes from private providers, which is expected to result in increases in income over the medium term.

Expenditure estimates

Table 17.21 Council on Higher Education

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	4 133	1 269	2 734	2 301	1 933	1 884	1 677
Sale of goods and services other than capital assets of which:	1 061	620	1 912	1 224	1 289	1 359	1 427
<i>Sales by market establishments</i>	1 061	620	1 912	1 224	1 289	1 359	1 427
<i>Other non-tax revenue</i>	3 072	649	822	1 077	644	525	250
Transfers received	32 071	32 976	36 140	38 801	43 019	44 994	47 699
Total revenue	36 204	34 245	38 874	41 102	44 952	46 878	49 376

Table 17.21 Council on Higher Education (continued)

Statement of financial performance				Revised estimate 2011/12	Medium-term estimate		
R thousand	Audited outcome				2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Expenses							
Current expenses	32 432	35 102	36 193	41 102	44 952	46 878	49 376
Compensation of employees	13 304	15 350	16 098	18 706	24 583	26 358	27 877
Goods and services	18 056	18 173	18 344	21 551	19 610	19 952	20 549
Depreciation	842	1 522	1 700	795	717	550	900
Interest, dividends and rent on land	230	57	51	50	42	18	50
Total expenses	32 432	35 102	36 193	41 102	44 952	46 878	49 376
Surplus / (Deficit)	3 772	(857)	2 681	-	-	-	-

Expenditure trends

The spending focus over the medium term will be on the continuing evaluation of programmes and qualifications, together with the establishment of the framework and expertise for generating and setting standards. In addition, the council will continue to advise the minister on policy matters.

The council receives most of its revenue as transfers from the department. It also receives revenue from providing accreditation to private higher education institutions and from donors, interest on investments and venue hire. Transfers received increased from R32.1 million in 2008/09 to R38.8 million in 2011/12, at an average annual rate of 6.6 per cent, and are expected to increase to R47.7 million over the medium term, at an average annual rate of 7.1 per cent. These increases are mainly to allow the council to establish functionality regarding its new role in the generation and setting of standards, including reaching its medium term target of conducting 29 pilots for approaches and procedures to be used for the development of standards. Over the medium term, the funding will also allow the council to: continue its advisory function; produce publications at a rate of 2 per year; conduct 13 institutional audits; and submit close to 100 per cent of received candidacy phase programmes to the Higher Education Qualifications Council each year for approval. The decrease in total revenue of R2 million in 2009/10 was mainly due to the decrease in donor funding, and lower interest earned on investments.

Expenditure increased from R32.4 million in 2008/09 to R41.1 million in 2011/12, at an average annual rate of 8.2 per cent, and is expected to grow over the medium term to R49.4 million, at an average annual rate of 6.3 per cent. These increases are mainly driven by the expansion of the role of the council and the corresponding increases in compensation of employees, which increases from R13.3 million in 2008/09 to R18.7 million in 2011/12, at an average annual rate of 12 per cent, and is expected to increase to R27.9 million over the medium term, at an average annual rate of 14.2 per cent.

Personnel information

Table 17.22 Council on Higher Education

	Personnel post status as at 30 September 2011			Number of personnel posts filled/planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹ 2011/12	Medium-term estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive management	2	2	-	4	3	2	3	3	3	3
Senior management	5	5	-	3	3	3	5	5	5	5
Middle management	16	16	8	6	7	9	8	16	16	16
Skilled	29	29	5	27	28	26	24	29	29	29
Semi-skilled	2	2	-	2	2	2	2	2	2	2
Total	54	54	13	42	43	42	42	55	55	55
Compensation (R thousand)				13 304	15 350	16 098	18 706	24 583	26 358	27 877
Unit cost (R thousand)				317	357	383	445	447	479	507

1. As at 30 September 2011.

As at 30 September 2011, the council had an establishment of 54 posts. Of these, 42 were filled and the remaining 13 will be filled incrementally by mid-2012. Most of the vacant posts were at middle management (8) and skilled (5) levels. The ratio of support staff to line staff was 1:5.

The budget for consultants was R7.1 million in 2011/12 and an estimated 220 consultants were used for short periods of time (ranging from a few days to 3 weeks) for a range of activities, including evaluations, report writing, financial advice and IT services. The ratio of consultants used to total personnel was approximately 5:1.

South African Qualifications Authority

Overview: 2008/09 – 2014/15

The South African Qualifications Authority is a statutory body originally set up in terms of the South African Qualifications Authority Act (1995). Since April 2009, the authority has existed under the National Qualifications Framework Act (2008), which replaced the previous act. Under the new legislation, the authority will 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 are: registering qualifications and part-qualifications on the national qualifications framework; maintaining and further developing the national learners' records database as the key national source of information for human resources and skills development planning and policy development; 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 registering professional bodies and professional designations on the national qualifications framework.

Over the medium term, the authority will continue to communicate with providers, learners and the public to promote awareness and understanding of the new national qualifications framework, in terms of its architecture and the implications of the changes that it is introducing. Together with the Department of Higher Education and Training, the authority will also provide a national qualifications framework and career advice services helpdesk to the public. The authority is also responsible for evaluating foreign qualifications and the verification of all qualifications for all employees of all national, provincial and local government organisations.

Performance

The career advice services helpdesk had an expected 20 000 customers in 2011/12, rising to 40 000 in 2012/13 and falling again subsequently as the service comes to its planned conclusion. A total of 112 500 requests for verification of qualifications is expected in 2012/13. Following this, 100 000 verifications are projected to be completed annually over the medium term. The demand for the evaluation of foreign qualifications has decreased from its peak in 2008/09, with a current expectation of approximately 24 000 per year over the medium term.

Selected performance indicators

Table 17.23 South African Qualifications Authority

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new qualifications received by the centre for the evaluation of educational qualifications per year	Foreign qualifications evaluation and advisory services	29 347	25 500	26 000	24 000	24 000	24 000	24 000
Number of new qualifications registered on the national qualifications framework and recorded on the national learners records database per year	Recognition and registration of qualifications and part qualifications	140	104	8	– ¹	– ¹	– ¹	– ¹
Number of new unit standards registered on the national qualifications framework and recorded on the national learners records database per year	Recognition and registration of qualifications and part qualifications	641	1 052	20	– ¹	– ¹	– ¹	– ¹

Table 17.23 South African Qualifications Authority (continued)

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of people assisted through the career advice service per year	Administration and support	–	–	8 000	20 000	40 000	20 000	–
Number of verification of qualifications completed per year	National learners records database	–	–	60 000	100 000	112 500	100 000	100 000

1. The South African Qualifications Authority cannot provide projections from 2011/12 onwards as these functions will be taken over by the quality councils in the new national qualifications framework dispensation.

Programmes/activities/objectives

Table 17.24 South African Qualifications Authority

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Administration and support	38 249	39 732	47 591	69 079	88 975	63 355	42 861
Recognition and registration of qualifications and part qualifications	15 630	7 569	7 275	7 644	7 906	8 588	9 017
National learners records database (NLRD)	3 634	4 927	6 965	11 344	15 238	14 090	15 076
Foreign qualifications evaluation and advisory services	10 957	11 296	11 905	13 981	14 511	15 561	16 339
Total expense	68 470	63 524	73 736	102 048	126 630	101 594	83 293

The South African Qualifications Authority had a total budget of R102 million in 2011/12, of which 67.7 per cent was used for administration and support.

Savings and cost effectiveness measures

The authority has implemented the following cost effectiveness measures that are expected to yield savings of R650 000 over the MTEF period: scheduling meetings so that the authority's own premises are used more frequently; reducing catering for internal functions; reducing the use of external consultants; publishing qualifications and part qualifications fully on its website instead of in the Government Gazette; reducing staff travel and subsistence costs by booking travel internally and negotiating improved travel rates; using energy efficient lighting; and reducing the use of paper.

Expenditure estimates

Table 17.25 South African Qualifications Authority

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	23 078	19 987	23 108	25 330	33 820	28 550	29 350
Sale of goods and services other than capital assets	15 665	14 611	15 714	19 400	23 850	20 000	21 000
<i>of which:</i>							
Administration fees	15 663	13 807	15 145	19 400	23 850	19 500	21 000
Sales by market establishments	2	804	569	–	–	500	–
Other non-tax revenue	7 413	5 376	7 394	5 930	9 970	8 550	8 350
Transfers received	47 337	43 262	52 100	70 335	86 621	71 894	52 293
Total revenue	70 415	63 249	75 208	95 665	120 441	100 444	81 643
Expenses							
Current expenses	68 470	63 524	73 736	102 048	126 630	101 594	83 293
Compensation of employees	29 972	33 479	42 968	59 303	63 605	57 894	48 525
Goods and services	33 069	26 154	27 498	38 890	58 246	38 977	29 960
Depreciation	5 429	3 891	3 270	3 855	4 779	4 723	4 808
Total expenses	68 470	63 524	73 736	102 048	126 630	101 594	83 293
Surplus / (Deficit)	1 945	(275)	1 472	(6 383)	(6 189)	(1 150)	(1 650)

Expenditure trends

The spending focus over the medium term will be on 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.

Revenue is mainly generated through transfers from the Department of Higher Education and Training. 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. This activity forms part of the overall career guidance project for which R60 million in general budget support has been provided over the MTEF period. 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 R70.4 million in 2008/09 to R95.7 million in 2011/12, at an average annual rate of 10.8 per cent. It is expected to decrease to R81.6 million over the medium term, at an average annual rate of 5.1 per cent, as the funding from the National Skills Fund for the career helpdesk ends in 2013/14. Funds received will allow 24 000 new qualifications to be presented to the centre for evaluation each year over the medium term. Some 312 500 qualifications are projected to be verified by the authority over the medium term. The higher expenditure between 2011/12 and 2013/14 is mainly due to the funding received for the helpdesk, which is expected to assist 20 000 people in 2011/12, 40 000 in 2012/13, and 20 000 in 2013/14 when the funding from the National Skills Fund for the project ceases.

Expenditure increased from R68.5 million in 2008/09 to R102 million in 2011/12, at an average annual rate of 14.2 per cent. This is mainly due to costs associated with the career helpdesk. General repairs and maintenance to the authority's building and renovations to increase office space also contribute to the increase. Expenditure is expected to decrease to R83.3 million over the medium term, at an average annual rate of 6.5 per cent, as the career advice services helpdesk project reaches its conclusion. This also accounts for the decrease in expenditure on compensation of employees from R59.3 million in 2011/12 to R48.5 million in 2014/15.

Consultants are used for specialised skills and services where the entity does not have the skills, resources or capacity available internally, such as in IT, legal matters and specialised research.

The deficits reflected over the medium term are for the continued upgrading and maintenance of office accommodation and will be funded from the authority's accumulated surplus.

Personnel information

Table 17.26 South African Qualifications Authority

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Senior management	13	13	–	7	10	13	13	15	15	14
Middle management	23	23	8	13	15	17	15	18	18	16
Professionals	96	96	23	28	36	66	73	93	72	50
Skilled	39	39	10	40	43	34	29	50	46	44
Total	171	171	41	88	104	130	130	176	151	124
Compensation (R thousand)				29 972	33 479	42 968	59 303	63 605	57 894	48 525
Unit cost (R thousand)				341	322	331	456	361	383	391

1. As at 30 September 2011.

As at 30 September 2011, the authority had an establishment of 171 posts. Of these, 130 posts were filled and the authority is in the process of recruiting for the remaining 41, which are expected to be filled over the medium term. Of these vacant posts, 8 were at the middle management level, 23 at the professional level and the remaining 10 were skilled.

The ratio of support staff to line staff was 1:6. In 2011/12, approximately 25 consultants were used at various times. The ratio of consultants used to total personnel is approximately 1:5.

Quality Council for Trades and Occupations

Overview: 2008/09 – 2014/15

The Quality Council for Trades and Occupations was established in terms of the Skills Development Act (1998) and became operational in 2010. In terms of the Public Finance Management Act (1999), the council is listed as a schedule 3A public entity.

The primary functions of the organisation are to: design and develop occupational standards and qualifications, and to submit these to the South African Qualifications Authority for registration on the national qualifications framework; establish and maintain occupational standards and qualifications; ensure the quality of occupational standards and qualifications and learning in and for the workplace; promote the objectives of the national qualifications framework; liaise with the National Skills Authority on the suitability and adequacy of occupational standards and qualifications and on the quality of learning in and for the workplace.

In order to become fully operational, the strategic priorities of the council over the medium term are to: appoint staff; develop and implement policies, systems and procedures; implement the occupational qualification sub-framework and related policy; develop and recommend occupational qualifications to the country's statutory authority; develop a quality assurance system, and accredit training providers and assessment centres; and develop a certification system and certify learning in occupational qualifications.

Performance

The council is committed to improving the quality of learners' lives and to contributing to increased productivity in the workplace. In order to meaningfully evaluate its impact on skills formation, the council will monitor the number of learners enrolling for and successfully completing occupational and trade qualifications, and will track a sample of learners to determine whether they find employment, or self-employment, in the area of their qualification. In the absence of baseline data, the council will first establish such a baseline in 2012/13 and set targets in this regard thereafter. In 2011/12, 120 occupational qualifications were developed by the council. This will rise to 140 over the medium term. The council recommended 12 qualifications to the South African Qualifications Authority in 2011/12, and this is set to grow to 70 over the medium term. The monitoring of the design of the assessment systems to quality assure qualifications will begin in 2012/13 with 15 assessment systems, and this will increase to 20 in each of the 2013/14 and 2014/15.

Selected Performance Indicators

Table 17.27 Quality Council for Trades and Occupations

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of qualifications in the development process each year	Occupational qualification management	-1	-1	-1	120	140	140	140
Number of qualifications recommended to the South African Qualifications Authority each year	Occupational qualification management	-1	-1	-1	12	60	70	70
Number of Assessment Quality Partners assessment systems evaluated to be valid, fair and reliable per year	Occupational qualification management	-1	-1	-1	-1	15	20	20

1. Historical information is not available as the Quality Council for Trade and Occupations is a newly established entity.

Programmes/activities/objectives

Table 17.28 Quality Council for Trades and Occupations

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Administration	-	-	7 302	9 065	20 887	15 146	15 842
Occupational qualification management	-	-	-	4 819	7 419	8 106	8 625
Total expense	-	-	7 302	13 884	28 306	23 252	24 467

The Quality Council for Trades and Occupations had a total budget of R13.9 million in 2011/12, of which 65.3 per cent was used for administration.

Savings and cost effectiveness measures

The organogram for the organisation was approved in October 2011 and while the process of filling posts has started, the council must still complete the process and undertake the necessary steps to become operational. This means that funds that have been saved in 2011/12 can be used over the medium term.

Expenditure estimates

Table 17.29 Quality Council for Trades and Occupations

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	-	-	-	-	-	-	-
Transfers received	-	-	10 132	26 889	20 216	21 412	22 717
Total revenue	-	-	10 132	26 889	20 216	21 412	22 717
Expenses							
Current expenses	-	-	7 302	13 884	28 306	23 252	24 467
Compensation of employees	-	-	4 054	5 335	12 964	13 757	14 514
Goods and services	-	-	3 248	8 549	15 342	9 495	9 953
Total expenses	-	-	7 302	13 884	28 306	23 252	24 467
Surplus / (Deficit)	-	-	2 830	13 005	(8 090)	(1 840)	(1 750)

Expenditure trends

The spending focus over the medium term will be on attaining full functionality by appointing staff, and developing and implementing policy, systems and procedures to give effect to the mandate of the council.

The council currently generates its revenue from transfers from the Department of Higher Education and Training. Over the medium term, transfers received are expected to decrease from R26.9 million to R22.7 million, at an average annual rate of 5.5 per cent. The decrease is due to a rollover of R8.5 million approved for the establishment of the council in 2011/12 as the process was not completed as planned in 2010/11.

Expenditure is expected to grow from R13.9 million in 2011/12 to R24.5 million in 2014/15, at an average annual rate of 20.8 per cent. This will allow the council to attain full functionality through the appointment of staff and carry out its mandate, including developing a quality assurance system, accrediting training providers and assessment centres, developing a certification system, and certifying occupational qualifications. This is also reflected in the projected growth in the budget for compensation for employees from R5.3 million in 2011/12 to R14.5 million in 2014/15, at an average annual rate of 39.6 per cent. The funding provided will allow a projected 140 qualifications to be included in the development process over each year of the medium term, a projected total of 200 qualifications to be recommended to the South African Qualifications Authority over the medium term and a projected 55 evaluations of assessment quality partners' assessment systems to be undertaken.

In 2010/11, the Department for Higher Education and Training was responsible for all its operational costs as the council was not formally established. This explains why the revenue and expenditure recorded in 2010/11 on the council's budget is classified under current and capital expenditure in the budget of the department, and has been included here to allow for trend analysis.

Personnel information

Table 17.30 Quality Council for Trades and Occupations

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	1	1	–	–	–	1	1	1	1	1
Senior management	–	–	–	–	–	–	–	6	6	6
Middle management	–	–	–	–	–	–	–	10	10	10
Skilled	–	–	–	–	–	–	–	8	8	8
Total	1	1	–	–	–	1	1	25	25	25
Compensation (R thousand)				–	–	4 054	5 335	12 964	13 757	14 514
Unit cost (R thousand)				–	–	4 054	5 335	519	550	581

1. As at 30 September 2011.

The organisational structure was approved in October 2011. The council has 46 posts in its organisational structure, 25 of which will be funded. As the council is still in its inception phase no posts are currently filled. Thus far, staff from the department and South African Qualifications Authority have been assisting the entity. There are 25 vacant funded posts.

In 2011/12, 6 consultants were used primarily for policy and system development, qualification development and for the recruitment and selection of the chief executive. The vacant posts consist of the chief executive officer post, 6 senior management posts, 10 middle management posts and 8 skilled level posts. The chief executive officer post, 3 senior and 6 middle management level posts have been advertised and are expected to be filled by 1 April 2012. The remaining posts will be filled over the medium term as the council attains full operational status.

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	2010/11		2010/11	2011/12			2011/12
Administration	95 107	122 673	121 397	161 580	(13 039)	148 541	136 841
Human Resource Development, Planning and Monitoring Coordination	27 032	26 651	23 678	33 819	2 046	35 865	36 615
University Education	19 536 989	19 540 336	19 536 049	23 429 499	(1 383)	23 428 116	23 428 116
Vocational and Continuing Education and Training	3 893 292	3 933 314	3 942 527	4 475 438	78 784	4 554 222	4 559 222
Skills Development	168 278	153 228	128 703	128 253	4 517	132 770	128 770
Subtotal	23 720 698	23 776 202	23 752 354	28 228 589	70 925	28 299 514	28 289 564
Direct charge against the National Revenue Fund	8 424 228	8 424 228	8 379 259	9 148 712	-	9 148 712	9 148 712
Sector education and training authorities	6 739 382	6 739 382	6 704 103	7 318 967	-	7 318 967	7 318 967
National Skills Fund	1 684 846	1 684 846	1 675 156	1 829 745	-	1 829 745	1 829 745
Total	32 144 926	32 200 430	32 131 613	37 377 301	70 925	37 448 226	37 438 276

Economic classification

Current payments	382 424	403 233	385 206	455 825	18 010	473 835	467 885
Compensation of employees	228 901	251 625	258 205	301 521	22 732	324 253	329 753
Goods and services	153 523	151 608	127 001	154 304	(4 722)	149 582	138 132
Transfers and subsidies	31 752 669	31 786 128	31 741 025	36 913 361	49 375	36 962 736	36 962 736
Provinces and municipalities	3 772 661	3 803 958	3 803 958	4 325 989	49 322	4 375 311	4 375 311
Departmental agencies and accounts	10 462 840	10 462 840	10 417 861	13 232 206	(1 383)	13 230 823	13 230 823
Higher education institutions	17 516 740	17 516 740	17 516 740	19 352 723	1 436	19 354 159	19 354 159
Foreign governments and international organisations	428	2 329	2 082	2 443	-	2 443	2 443
Households	-	261	384	-	-	-	-
Payments for capital assets	9 833	11 069	5 380	8 115	3 540	11 655	7 655
Machinery and equipment	9 778	10 994	5 326	8 115	3 540	11 655	7 655
Software and other intangible assets	55	75	54	-	-	-	-
Payments for financial assets	-	-	2	-	-	-	-
Total	32 144 926	32 200 430	32 131 613	37 377 301	70 925	37 448 226	37 438 276

Table 17.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Compensation of employees (R thousand)	174 819	201 753	258 205	324 253	359 140	396 417	420 346
Training expenditure (R thousand)	2 931	1 870	874	1 000	1 628	1 976	2 056
Training as percentage of compensation	1.7%	0.9%	0.3%	0.3%	0.5%	0.5%	0.5%
Total number trained in department (headcount)	287	134	254	227			
<i>of which:</i>							
Employees receiving bursaries (headcount)	26	31	24	86			
Internships (headcount)	25	19	54	43			
Households receiving bursaries (R thousand)	200 000	300 000	318 000	1 622 324	2 188 768	2 587 334	2 736 584
Households receiving bursaries (headcount)	22 857	34 286	64 572	151 118			

Table 17.C Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Conditional grants to provinces							
Vocational and Continuing Education and Training							
Further education and training colleges grant	2 210 656	3 155 276	3 803 958	4 375 311	4 757 271	5 317 702	5 618 198
Further education and training colleges sector recapitalisation grant	795 170	-	-	-	-	-	-
Total	3 005 826	3 155 276	3 803 958	4 375 311	4 757 271	5 317 702	5 618 198

1. Detail provided in the Division of Revenue Act (2012).

Table 17.D Summary of donor funding

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2011/12	Medium-term expenditure estimate	
							2008/09	2009/10	2010/11		2012/13	2013/14
R thousand Foreign In cash												
European Union	University library books, technical support and higher education AIDS project	University Education	August 2004 to September 2010	216 230	Goods and services	University library books, technical support and higher education AIDS project	15 494	6 102	10 701	-	-	-
United Kingdom Department for International Development	Mergers of higher education institutions	University Education	March 2004 to December 2006	1 603	Goods and services	Mergers of higher education Institutions	-	-	-	-	-	-
Norway	Oslo celebration research grant	University Education	2008/09	249	Goods and services	Awarding of grants to pursue research on education	239	-	-	-	-	-
European Union Primary Education Sector Support Programme via the Department of Basic Education	Foundation phase teacher education project	University Education	2010/11 to 2012/13	141 000	Goods and services	Number of public higher education institutions involved in initial teacher education for teaching in the foundation phase and the number of students enrolled in initial teacher education programmes specialising in the foundation phase increases	-	-	34 067	58 083	48 850	-
United States Agency for International Development college fund	Capacity building in Sudan	University Education	2010/11	493	Goods and services	Capacity building in Sudan	-	-	493	-	-	-
European Union	General budget support for career guidance services	University Education	2012/13 to 2013/14	60 000	Departmental agencies and accounts	Career guidance services	-	-	-	-	30 000	30 000

Table 17.D Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand In kind Finland	Direct merger expenditure restructuring	University Education	2004 to 2007	39 000	Goods and services	Implementation of the restructuring of the South African higher education system and the merger of institutions	-	-	-	-	-	-	-
Norway	Higher education policy	University Education	2006 to 2008	248 846	Goods and services	Technical assistance to higher education institutions on access, retention and success, multilingualism, and capacity building	16 448	-	-	24 910	-	-	-
United States Agency for International Development college fund	Strategic objective grant agreement	University Education	2005 to 2009	143 086	Goods and services	Technical assistance on finance, education economics, human resources and information policy, and planning and monitoring	58 400	-	-	-	-	-	-
European Union	Technical and business initiative in South Africa	University Education	2008/09	48	Goods and services	Promotion of research, curriculum development and learning materials development; and teacher training and the introduction of new programmes to provide support in the creation and development of small businesses to reduce poverty	48	-	-	-	-	-	-

Table 17.D Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2011/12	Medium-term expenditure estimate			
							2008/09	2009/10	2010/11		2012/13	2013/14	2014/15	
R thousand In kind														
Deutsche Gesellschaft für Internationale Zusammenarbeit	Employment and skills development services	Skills Development	October 2007 to December 2011	146 300	Goods and services	Capacity building in skills development policy, advising services across all levels. Skills education and training authority, National Skills Authority, National Skills Fund and further education and training colleges	33 000	33 000	33 000	-	-	-	-	-
Netherlands	Implementation of standardised business management system in 3 pilot further education and training colleges	Vocational and Continuing Education and Training	2010/11	2 000	Goods and services	Capacity building in higher education through the Netherlands Universities Foundation for International Cooperation: Implementation of standardised business management system in 3 pilot further education and training colleges	-	-	-	2 000	-	-	-	-
Denmark	Support to the education and skills development programme in South Africa	Vocational and Continuing Education and Training	2010 to 2013	28 799	Goods and services	Support to the education and skills development programme in South Africa	-	-	-	9 599	9 599	9 599	-	-
Total				1 027 654			123 629	39 102	78 261	94 592	88 449	39 599	-	-

Table 17.E Summary of expenditure on infrastructure

Project name R thousand	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2008/09	2009/10		2010/11	2012/13
Infrastructure transfers to other spheres, agencies and departments								
Further education and training colleges sector recapitalisation grant	Workshops, machinery and equipment, administrative facilities	Handed over	1 896 300	795 170	-	-	-	-
Tertiary institutions infrastructure	Hostels, lecture halls, laboratories	Various	11 249 000	887 000	1 462 000	1 615 000	1 800 000	1 900 000
Total			13 145 300	1 682 170	1 462 000	1 615 000	1 800 000	1 900 000

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

Higher education institutions	Block grant	Interest and redemption	Infra-structure and efficiency funds	Development funds	Ad Hoc	NSFAS				Total	
						General allocation	Teacher training	Students with disabilities	SA Institute for Chartered Accountants		
R thousand											
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 University 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 Johannesburg	1 078 206	3 741	52 000	43 974	5 102	146 985	1 689	8 649	-	1 340 346	
University of KwaZulu-Natal	1 281 085	1 468	110 400	16 849	54 661	112 105	15 344	2 500	-	1 594 412	
University of Limpopo	546 750	147	101 300	15 706	36 211	85 245	8 901	2 673	-	796 933	
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 South Africa	1 523 975	658	19 800	238 939	-	80 092	887	2 916	-	1 867 267	
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	
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	

Table 17.G Summary of financial assistance to higher education institutions, 2012/13

Higher education institutions	Block grant	Interest and redemption	Infrastructure and efficiency funds	Development funds	Clinical training of health professionals	Ad Hoc	NSFAS			Total	
							General allocation	Teacher training	Students with disabilities		Final year programme
R thousand											
Cape Peninsula University of Technology	801 829	774		27 566	5 239		132 495	8 573	3 125	53 000	1 032 601
University of Cape Town	974 808	251		13 072	36 570		67 304	560	1 140	31 000	1 124 705
Central University of Technology, Free State	281 218	-		14 485	2 012		66 287	3 566	1 994	40 000	409 562
Durban University of Technology	591 665	1 051		18 675	5 348		159 087	4 160	5 076	35 000	820 062
University of Fort Hare	269 498	-		13 322	4 151		56 547	1 428	1 563	65 000	411 499
University of Free State	775 250	356		35 551	21 464		78 925	2 746	1 265	23 000	938 557
University of Johannesburg	1 143 400	3 210		53 388	6 032		214 457	1 773	3 977	57 000	1 483 237
University of KwaZulu-Natal	1 290 835	728		22 996	61 733		155 691	16 109	3 698	53 000	1 604 790
University of Limpopo	606 841	147		54 985	38 906		130 570	9 345	2 849	66 000	909 643
Mangosuthu University of Technology	223 536	-		20 310	379		76 213	-	2 140	60 000	382 578
Nelson Mandela Metropolitan University	640 299	279		20 243	6 437		87 403	341	2 427	30 000	787 429
North West University	1 024 698	500		24 403	6 836		78 849	7 704	2 535	35 000	1 180 525
University of Pretoria	1 521 080	85		23 520	37 796		100 187	6 419	2 632	37 000	1 728 719
Rhodes University	267 931	75		2 739	658		14 345	84	154	12 000	297 986
University of South Africa	1 713 664	517		270 829	-		116 069	931	3 993	6 000	2 112 003
University of Stellenbosch	975 028	490		8 005	32 571		23 692	205	639	21 000	1 061 630
Tshwane University of Technology	1 197 061	3 102		52 144	3 338		299 506	5 305	5 275	87 000	1 652 731
Vaal University of Technology	422 694	466		25 203	1 880		122 339	-	3 826	25 000	601 408
University of Venda	296 659	220		22 250	2 627		90 101	6 930	2 871	63 000	484 658
Walter Sisulu University of Science and Technology, Eastern Cape	519 874	-		67 600	12 986		165 468	7 750	4 368	74 000	852 046
University of the Western Cape	570 306	-		27 563	25 971		81 308	1 604	2 315	39 000	748 067
Witwatersrand University	1 018 729	2 354		23 866	51 036		100 727	3 280	3 022	25 000	1 228 014
University of Zululand	306 959	-		27 138	3 320		63 044	12 187	2 126	67 000	481 774
Unallocated	-	-	1 800 000	-	-	417 250	-	-	-	-	2 217 250
Total	17 433 862	14 605	1 800 000	869 853	367 290	417 250	2 480 614	101 000	63 000	1 004 000	24 551 474

National Treasury
BUDGET 2012
ESTIMATES OF NATIONAL EXPENDITURE

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