

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 17 HIGHER EDUCATION AND TRAINING



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 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, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also 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.



“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves.”

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Higher Education and Training

National Treasury
Republic of South Africa



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Vote 17

Higher Education and Training

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	217.1	215.4	0.2	1.6	225.7	238.9
Human Resource Development, Planning and Monitoring Coordination	48.8	45.5	2.9	0.4	51.5	54.9
University Education	30 448.0	48.6	30 399.0	0.4	32 854.2	34 616.8
Vocational and Continuing Education and Training	6 042.2	214.4	5 827.2	0.6	6 401.9	6 748.3
Skills Development	110.6	86.7	23.2	0.7	116.7	124.2
Subtotal	36 866.7	610.5	36 252.5	3.7	39 650.0	41 783.2
Direct charge against the National Revenue Fund						
Sector education and training authorities	10 752.6	–	10 752.6	–	11 752.7	12 912.8
National Skills Fund	2 687.4	–	2 687.4	–	2 937.3	3 227.2
Total expenditure estimates	50 306.7	610.5	49 692.5	3.7	54 340.0	57 923.2
Executive authority	Minister of Higher Education and Training					
Accounting officer	Director General of Higher Education and Training					
Website address	www.dhet.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

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

Mandate

The Department of Higher Education and Training derives its mandate from the following pieces of legislation:

- the Higher Education Act (1997), which provides for a unified and nationally planned system of higher education
- the Adult Basic Education and Training Act (2000), which provides for the establishment of public and private adult learning centres and for the governance of public centres
- the Further Education and Training Colleges Act (2006), which provides for the governance and funding of further education and training colleges
- the Skills Development Levies Act (1999), which provides for the imposition of skills development levies
- the Skills Development Act (2008), which enables the creation of the National Skills Agency, the establishment of the Quality Council for Trades and Occupations, and the regulation of apprenticeships, learnerships and other matters relating to skills development
- the National Education Policy Act (1996), which provides for the formulation of national policies in general and further education and training, curriculum assessment, and language policy and quality assurance
- the Employment of Educators Act (1998), which regulates the conditions of service, discipline, retirement and discharge of educators, and everything relating to educators employed by the state in further education and training institutions and public adult centres.

Strategic goals

The department's strategic goals over the medium term are to:

- increase the number of skilled youth by expanding access to education and training for the youth
- ensure that capacity is built for post-school education and training institutions for the effective provision or facilitation of learning
- increase the number of students successfully entering the labour market once their training is complete
- increase the capacity for research, development and innovation to enhance economic growth and social development
- develop a college curriculum that is responsive to the demands of the marketplace and that is able to transform and adapt quickly and effectively to changing skills needs, with an emphasis on artisan training
- institute a credible institutional mechanism for skills planning to support an inclusive economic growth path
- ensure a highly effective, professional and efficient administration based on good corporate governance practices.

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 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 a skills development policy and regulatory framework for an effective skills development system.

Selected performance indicators

Table 17.1 Higher Education and Training

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of students enrolled in higher education institutions per year	University Education	Outcome 5: A skilled and capable workforce to support an inclusive growth path	816 400	886 033	938 201	935 710	994 067	1 022 593	1 051 693
Proportion of higher education enrolments in science, engineering and technology; business; and humanities	University Education		28:31:40	28:31:41	29:30:41	29:30:41	28:29:43	29:26:42	29:29:42

Table 17.1 Higher Education and Training

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of higher education graduates per year	University Education	Outcome 5: A skilled and capable workforce to support an inclusive growth path	141 900	160 626	165 993	179 160	173 771	181 393	191 251
Number of headcount enrolments in further education and training colleges per year	Vocational and Continuing Education and Training		345 566	350 000	657 690	650 000	800 000	1 000 000	500 000
Number of full time equivalents enrolled in further education and training institutions per year	Vocational and Continuing Education and Training		212 215	210 971	263 721	303 280	348 772	401 088	421 100
Number of new artisans registered for training each year	Skills Development		23 517	24 378	21 849	26 000	27 000	28 000	29 000
Number of artisan learners competent each year	Skills Development		11 778	10 000	8 655	12 000	13 000	14 000	15 000

The national development plan

The national development plan views the expansion of the higher education and training sectors as critical to achieving the envisaged inclusive economic growth. To this end, the plan aims to have 10 million university graduates in the country with a minimum of a bachelor's degree by 2030. In line with the plan's vision, the 2013 White Paper for Post-School Education and Training seeks to promote higher education and training as an expanded, effective, coherent and integrated system and to increase the targets set for enrolments and graduates by the department in higher education institutions. Over the next 3 years, the aim is to have approximately 3 million students enrolled in higher education institutions.

Bursaries are made available to deserving poor students through the National Student Financial Aid Scheme to expand enrolments in further education and training colleges to ensure that South Africa produces the required mid-level skills to support a growing economy. This also ensures that learners from poor households are well represented among those that enter and succeed at universities. For the period 2010/11 to 2012/13, there were 1 353 256 student enrolments at further education and training colleges and it is expected that approximately 2.3 million students will be enrolled in these colleges over the next three years. The department has set a target to nearly double headcount enrolment in colleges by 2015/16 to 1 million, with additional funding from the National Skills Fund. This funding is only available until 2015/16, after which enrolment is expected to drop to 500 000.

The national development plan recognises the critical role that artisans will play in ensuring that economic and development goals can be met, and has set a target of producing 30 000 qualified artisans per year by 2030. In support of this objective, and in an attempt to encourage growth of this sector, 2013 was declared the year of the artisan and extended to the decade of the artisan as from 2014. The department intends to increase the number of competent artisans by 1 000 per year to be able to meet the plan's 2030 target.

Expenditure estimates

Table 17.2 Higher Education and Training

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R million												
Administration	114.4	152.4	171.7	189.7	185.3	17.4%	0.4%	217.1	225.7	238.9	8.8%	0.4%
Human Resource Development, Planning and Monitoring Coordination	25.8	38.1	42.8	47.4	43.8	19.3%	0.1%	48.8	51.5	54.9	7.9%	0.1%
University Education	19 537.9	23 428.4	26 228.7	28 300.7	28 299.3	13.1%	60.8%	30 448.0	32 854.2	34 616.8	6.9%	60.3%
Vocational and Continuing Education and Training	3 942.9	4 540.8	5 045.9	5 691.0	5 697.3	13.1%	12.0%	6 042.2	6 401.9	6 748.3	5.8%	11.9%
Skills Development	131.4	122.0	93.3	105.1	102.3	-8.0%	0.3%	110.6	116.7	124.2	6.7%	0.2%
Subtotal	23 752.4	28 281.7	31 582.4	34 333.9	34 328.0	13.1%	73.6%	36 866.7	39 650.0	41 783.2	6.8%	73.0%

Table 17.2 Higher Education and Training

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R million												
Direct charge against the National Revenue Fund	8 379.3	10 025.3	11 694.5	12 300.0	12 300.0	13.6%	26.4%	13 440.0	14 690.0	16 140.0	9.5%	27.0%
Sector education and training authorities	6 704.1	8 021.4	9 355.6	9 840.6	9 840.6	13.6%	21.2%	10 752.6	11 752.7	12 912.8	9.5%	21.6%
National Skills Fund	1 675.2	2 003.8	2 338.9	2 459.4	2 459.4	13.7%	5.3%	2 687.4	2 937.3	3 227.2	9.5%	5.4%
Total	32 131.6	38 306.9	43 276.9	46 633.9	46 628.0	13.2%	100.0%	50 306.7	54 340.0	57 923.2	7.5%	100.0%
Change to 2013 Budget estimate				(91.5)	(97.4)			(52.7)	(18.9)	677.5		

Economic classification

	385.2	460.8	517.6	579.6	572.7	14.1%	1.2%	610.5	636.5	675.1	5.6%	1.2%
Current payments												
Compensation of employees	258.2	305.6	360.4	402.7	400.3	15.7%	0.8%	426.5	448.4	478.0	6.1%	0.8%
Goods and services	127.0	155.2	157.2	176.9	172.5	10.7%	0.4%	184.0	188.0	197.1	4.6%	0.4%
of which:												
Administration fees	0.1	0.1	0.1	0.3	0.3	46.5%	0.0%	0.2	0.2	0.2	-3.9%	0.0%
Advertising	1.7	4.3	4.5	2.7	2.6	13.7%	0.0%	1.7	1.9	2.0	-7.6%	0.0%
Assets less than the capitalisation threshold	0.5	0.7	1.6	2.0	1.3	40.7%	0.0%	3.2	3.1	3.1	35.7%	0.0%
Audit costs: External	4.5	6.2	6.3	7.3	7.3	17.6%	0.0%	7.9	8.0	8.4	4.8%	0.0%
Bursaries: Employees	0.4	0.5	0.5	0.5	0.5	7.0%	0.0%	0.5	0.5	0.5	-0.1%	0.0%
Catering: Departmental activities	2.2	4.1	5.5	3.8	6.2	41.4%	0.0%	3.1	3.2	3.4	-18.0%	0.0%
Communication	4.4	6.1	6.3	5.3	6.6	14.4%	0.0%	5.9	6.1	6.4	-1.3%	0.0%
Computer services	20.3	31.4	23.4	36.6	29.5	13.3%	0.1%	26.6	28.2	29.4	-0.1%	0.1%
Consultants and professional services: Business and advisory services	0.4	1.6	1.9	2.3	2.3	77.0%	0.0%	2.9	3.0	3.2	11.2%	0.0%
Consultants and professional services: Legal costs	0.7	2.8	1.4	1.3	1.1	15.3%	0.0%	2.6	2.6	2.7	35.9%	0.0%
Contractors	0.6	1.3	0.9	0.8	0.7	2.0%	0.0%	1.2	1.1	1.1	20.6%	0.0%
Agency and support / outsourced services	2.6	2.5	4.3	2.2	2.8	2.2%	0.0%	0.6	0.6	0.6	-40.9%	0.0%
Entertainment	0.1	0.1	0.0	0.1	0.1	22.9%	0.0%	0.1	0.1	0.1	2.5%	0.0%
Fleet services (including government motor transport)	0.3	0.7	-	0.7	0.6	24.8%	0.0%	0.1	0.1	0.1	-52.7%	0.0%
Inventory: Food and food supplies	1.2	0.6	0.5	0.6	0.3	-36.1%	0.0%	0.7	-	-	-100.0%	0.0%
Inventory: Fuel, oil and gas	0.1	0.1	0.1	0.1	-	-100.0%	0.0%	0.1	-	-	-	0.0%
Inventory: Learner and teacher support material	0.0	0.2	-	-	-	-100.0%	0.0%	-	-	-	-	-
Inventory: Materials and supplies	3.4	1.6	2.3	0.8	0.2	-62.6%	0.0%	1.0	-	-	-100.0%	0.0%
Inventory: Other supplies	0.6	-	0.0	0.4	0.4	-13.2%	0.0%	0.3	-	-	-100.0%	0.0%
Consumable supplies	-	0.7	0.4	-	-	-	0.0%	-	-	-	-	-
Consumable: Stationery, printing and office supplies	12.8	14.7	20.2	15.5	16.7	9.3%	0.0%	12.4	14.4	15.0	-3.5%	0.0%
Operating leases	4.9	5.7	2.5	6.3	2.6	-18.8%	0.0%	8.0	8.3	8.6	48.8%	0.0%
Property payments	26.9	20.2	21.2	33.9	29.6	3.2%	0.1%	46.0	46.3	48.4	17.8%	0.1%
Transport provided: Departmental activity	-	-	0.0	-	-	-	0.0%	-	-	0.1	-	0.0%
Travel and subsistence	29.9	38.4	42.3	43.9	50.0	18.6%	0.1%	48.9	50.2	52.9	1.9%	0.1%
Training and development	0.9	1.6	1.8	1.6	1.8	26.3%	0.0%	2.5	2.6	2.8	16.0%	0.0%
Operating payments	6.2	5.8	7.3	6.3	6.8	3.3%	0.0%	6.2	6.3	6.6	-1.2%	0.0%
Venues and facilities	1.4	3.4	1.7	1.7	2.4	20.6%	0.0%	1.4	1.4	1.6	-13.5%	0.0%
Transfers and subsidies	31 741.0	37 842.4	42 753.8	46 048.7	46 050.1	13.2%	98.8%	49 692.5	53 699.8	57 243.8	7.5%	98.8%
Provinces and municipalities	3 804.0	4 375.3	4 844.6	2 454.2	2 454.2	-13.6%	9.7%	2 631.3	2 818.6	2 974.0	6.6%	5.2%
Departmental agencies and accounts	10 417.9	14 107.3	16 996.5	18 182.6	18 182.6	20.4%	37.2%	19 699.9	21 266.0	23 085.0	8.3%	39.3%
Higher education institutions	17 516.7	19 354.2	20 902.8	22 388.8	22 388.8	8.5%	50.0%	24 155.1	26 243.2	27 634.1	7.3%	48.0%
Foreign governments and international organisations	2.1	2.4	2.6	2.9	2.9	11.2%	0.0%	2.9	3.2	3.3	5.1%	0.0%
Non-profit institutions	-	3.0	5.0	3 020.2	3 020.2	-	1.9%	3 203.2	3 368.8	3 547.3	5.5%	6.3%
Households	0.4	0.2	2.3	0.1	1.5	57.4%	0.0%	-	-	-	-100.0%	0.0%
Payments for capital assets	5.4	3.7	5.5	5.7	5.2	-1.2%	0.0%	3.7	3.7	4.3	-6.2%	0.0%
Machinery and equipment	5.3	3.6	5.5	5.4	5.0	-2.2%	0.0%	3.7	3.7	4.3	-4.9%	0.0%
Software and other intangible assets	0.1	0.1	-	0.2	0.2	59.2%	0.0%	-	-	-	-100.0%	0.0%
Payments for financial assets	0.0	0.1	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Total	32 131.6	38 306.9	43 276.9	46 633.9	46 628.0	13.2%	100.0%	50 306.7	54 340.0	57 923.2	7.5%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		Unit Cost	2013/14 - 2016/17
Higher Education and Training		Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost		
Salary level	920	87	926	360.4	0.4	990	400.3	0.4	1 028	426.5	0.4	1 028	448.4	0.4	1 028	478.0	0.5	1.3%	100.0%
1 – 6	371	87	441	41.9	0.1	462	46.6	0.1	470	49.7	0.1	470	52.2	0.1	470	54.8	0.1	0.6%	45.9%
7 – 10	344	–	309	69.2	0.2	339	79.7	0.2	353	87.3	0.2	353	91.9	0.3	353	96.7	0.3	1.4%	34.3%
11 – 12	122	–	103	56.3	0.5	112	64.4	0.6	122	73.6	0.6	122	77.5	0.6	122	81.6	0.7	2.9%	11.7%
13 – 16	83	–	71	62.3	0.9	77	69.2	0.9	83	78.3	0.9	83	82.5	1.0	83	89.3	1.1	2.5%	8.0%
Other	–	–	2	130.7	65.3	–	140.4	–	–	137.7	–	–	144.4	–	–	155.6	–	–	–

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on increasing the number of skilled youth by expanding access to higher and further education and training, particularly for poor students. This will be done by providing loans and bursaries, particularly towards qualifications that equip graduates with skills that are in scarce supply. In addition, the 23 sector education and training authorities and the National Skills Fund will focus their spending on increasing the number of artisans and on focused skills training opportunities in line with the third national skills development strategy. The bulk of the allocation to fund these objectives is allocated to the *University Education* and *Vocational and Continuing Education and Training* programmes, which make transfers to higher education and further education and training institutions and the National Student Financial Aid Scheme. As a result of funding these programmes, the department expects that by 2016/17, 1 051 693 students will be enrolled in higher education institutions and 191 251 students will graduate, and headcount enrolments at further education and training colleges will increase from 345 566 in 2010/11 to 650 000 in 2013/14.

Spending in the *University Education* programme over the medium term is expected to grow, mainly due to an increase in the allocations for university subsidies, the establishment of two new universities, and additional loans and bursaries awarded by the National Student Financial Aid Scheme. Funded through a transfer from the programme, the scheme receives a Cabinet approved additional allocation of R145 million over the MTEF period to administer the additional funds provided for loans and bursaries at universities and colleges. The department also receives further Cabinet approved additional allocations over the medium term of R159.9 million for the further education and training colleges conditional grant and R104.3 million for subsidies for improved conditions of service for college employees; and R13 million goes to the South African Qualifications Authority for the verification of government employee qualifications.

Cabinet approved reductions of R104.3 million over the medium term are to be effected from the transfer to further training and education colleges and R6.3 million from the transfer to the Council on Higher Education in the *University Education* programme, and R12.3 million over the medium term from spending on goods and services in the department.

The department employed an additional 233 people between 2010/11 and 2013/14, the majority of which were at salary levels 7, 9 and 11, and at the end of November 2013 there were 990 filled posts. This was mainly due to the filling of critical vacant positions in the *Administration* and *Human Resource Development, Planning and Monitoring Coordination* programmes after the Department of Education was split into two departments in 2010, which resulted in a 15.7 per cent increase in spending on compensation of employees between 2010/11 and 2013/14. Over the medium term, spending on compensation of employees is expected to grow at a slower rate, as the majority of the funded posts created within the department by the split should have been filled.

Infrastructure spending

The earmarked grant for infrastructure to higher education institutions is the largest item of spending on infrastructure. R9.5 billion over the medium term has been allocated to this grant for university infrastructure, R2.6 billion of which is to be used for the construction of the two newly established universities in Mpumalanga and Northern Cape. The balance of infrastructure funds are mainly for the improvement of infrastructure for the faculties of architecture and the built environment, engineering, health sciences, life and physical sciences, and teacher training disciplines, and for student accommodation. In addition, funds have been set aside to enable universities to improve their existing infrastructure to ensure easy access for students with disabilities. Most of the infrastructure allocations are earmarked for historically disadvantaged universities. In light of the increased role of ICT in higher education, funds have also been set aside to improve broadband connectivity and general ICT infrastructure at universities. This allocation for university infrastructure is supplemented by commitments of more than R2 billion from the universities from their own funds.

The department has also started a process to build 12 new further education and training college campuses and to refurbish two existing campus sites with funding provided through the National Skills Fund and the sector education and training authorities.

Departmental receipts

Table 17.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2010/11	2011/12	2012/13			2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand												
Departmental receipts	8 902	10 272	10 913	10 915	9 317	1.5%	100.0%	9 425	9 574	10 083	2.7%	100.0%
Sales of goods and services produced by department	3 468	3 918	4 949	5 583	4 172	6.4%	41.9%	4 382	4 580	4 821	4.9%	46.8%
Sales by market establishments	240	390	457	246	279	5.1%	3.5%	293	301	311	3.7%	3.1%
of which:												
Academic services: Temporary accommodation	32	219	107	10	-	-100.0%	0.9%	183	191	201	-	1.5%
Sale of assets less than R5 000	2	7	-	-	10	71.0%	-	10	10	10	-	0.1%
Academic term	100	45	208	236	169	19.1%	1.3%	-	-	-	-100.0%	0.4%
Commission	106	119	142	-	100	-1.9%	1.2%	100	100	100	-	1.0%
Administration fees	2 544	2 768	3 915	4 474	2 833	3.7%	30.6%	2 975	3 114	3 282	5.0%	31.8%
of which:												
Exams	597	725	874	1 089	818	11.1%	7.6%	859	899	948	5.0%	9.2%
Trade fee	1 752	1 850	2 944	2 840	1 796	0.8%	21.2%	1 885	1 972	2 078	5.0%	20.1%
Universities	55	44	39	77	53	-1.2%	0.5%	56	59	62	5.4%	0.6%
Further education and training	130	149	58	-	166	8.5%	1.3%	175	184	194	5.3%	1.9%
Sports and club facilities	10	-	-	468	-	-100.0%	-	-	-	-	-	-
Other sales	684	760	577	863	1 060	15.7%	7.8%	1 114	1 165	1 228	5.0%	11.9%
of which:												
Boarding fees	344	210	86	104	292	-5.3%	2.4%	307	321	338	5.0%	3.3%
Parking	22	24	24	21	26	5.7%	0.2%	28	29	30	4.9%	0.3%
Sale of meals and refreshments	91	202	157	176	202	30.4%	1.7%	212	222	234	5.0%	2.3%
Commission	10	-	-	157	127	133.3%	0.3%	133	139	147	5.0%	1.4%
Rental	217	324	310	405	413	23.9%	3.2%	434	454	479	5.1%	4.6%
Sales of scrap, waste, arms and other used current goods	44	39	16	60	17	-27.2%	0.3%	17	17	17	-	0.2%
of which:												
Waste paper	44	39	16	60	17	-27.2%	0.3%	17	17	17	-	0.2%
Transfers received	33	-	80	-	-	-100.0%	0.3%	-	-	-	-	-
Interest, dividends and rent on land	3 565	3 512	3 458	3 096	3 463	-1.0%	35.5%	3 394	3 360	3 541	0.7%	35.8%
Interest	3 565	3 512	3 458	3 096	3 463	-1.0%	35.5%	3 394	3 360	3 541	0.7%	35.8%
Sales of capital assets	-	7	-	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 792	2 796	2 410	2 176	1 665	-2.4%	22.0%	1 632	1 617	1 704	0.8%	17.2%
Total	8 902	10 272	10 913	10 915	9 317	1.5%	100.0%	9 425	9 574	10 083	2.7%	100.0%

Programme 1: Administration

Expenditure estimates

Table 17.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
R thousand											
Ministry	20 973	29 918	29 635	26 739	8.4%	17.1%	31 560	32 529	34 527	8.9%	14.4%
Department Management	15 703	23 350	30 241	29 656	23.6%	15.8%	29 635	31 173	33 268	3.9%	14.2%
Corporate Services	38 644	59 671	64 099	58 996	15.1%	35.2%	63 189	66 118	70 688	6.2%	29.7%
Office of the Chief Financial Officer	10 385	16 903	22 332	36 524	52.1%	13.7%	41 662	44 262	46 394	8.3%	19.4%
Internal Audit	3 277	3 253	5 452	4 792	13.5%	2.7%	5 200	5 455	5 803	6.6%	2.4%
Office Accommodation	25 460	19 309	19 896	32 952	9.0%	15.5%	45 855	46 139	48 252	13.6%	19.9%
Total	114 442	152 404	171 655	189 659	18.3%	100.0%	217 101	225 676	238 932	8.0%	100.0%
Change to 2013 Budget estimate				(10 962)			5 766	4 388	4 201		
Economic classification											
Current payments	109 600	149 632	166 875	186 617	19.4%	97.5%	215 373	223 985	237 110	8.3%	99.0%
Compensation of employees	48 457	70 023	88 023	105 531	29.6%	49.7%	114 987	120 919	129 256	7.0%	54.0%
Goods and services	61 143	79 609	78 852	81 086	9.9%	47.9%	100 386	103 066	107 854	10.0%	45.0%
of which:											
Administration fees	66	85	140	199	44.5%	0.1%	211	219	219	3.2%	0.1%
Advertising	1 411	3 688	4 223	2 414	19.6%	1.9%	1 444	1 546	1 673	-11.5%	0.8%
Assets less than the capitalisation threshold	241	384	1 003	781	48.0%	0.4%	418	326	372	-21.9%	0.2%
Audit costs: External	4 501	6 191	6 317	7 322	17.6%	3.9%	7 804	7 978	8 412	4.7%	3.6%
Bursaries: Employees	409	475	542	501	7.0%	0.3%	500	500	500	-0.1%	0.2%
Catering: Departmental activities	230	1 425	710	385	18.7%	0.4%	488	493	540	11.9%	0.2%
Communication	2 402	2 658	3 246	2 561	2.2%	1.7%	2 601	2 668	2 829	3.4%	1.2%
Computer services	10 842	16 661	11 697	11 648	2.4%	8.1%	15 545	17 047	17 700	15.0%	7.1%
Consultants and professional services: Business and advisory services	138	406	211	1 070	97.9%	0.3%	1 900	1 934	2 025	23.7%	0.8%
Consultants and professional services: Legal costs	-	-	120	-	-	-	-	-	-	-	-
Contractors	73	1 103	733	578	99.3%	0.4%	931	845	865	14.4%	0.4%
Agency and support / outsourced services	575	1 118	2 658	706	7.1%	0.8%	260	275	270	-27.4%	0.2%
Entertainment	55	106	49	102	22.9%	-	103	104	110	2.5%	-
Fleet services (including government motor transport)	320	663	-	492	15.4%	0.2%	63	63	66	-48.8%	0.1%
Inventory: Food and food supplies	-	2	5	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	3	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	3	148	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	19	6	2	-	-100.0%	-	-	-	-	-	-
Inventory: Medical supplies	-	-	7	-	-	-	-	-	-	-	-
Inventory: Other supplies	30	-	20	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	304	4	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	2 344	2 547	4 040	2 260	-1.2%	1.8%	3 109	3 017	3 176	12.0%	1.3%
Operating leases	786	1 519	1 524	943	6.3%	0.8%	1 862	2 093	2 128	31.2%	0.8%
Property payments	26 025	19 985	20 120	33 313	8.6%	15.8%	45 698	45 936	48 045	13.0%	19.9%
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	82	-	-
Travel and subsistence	8 887	15 169	16 087	12 533	12.1%	8.4%	13 908	14 362	14 843	5.8%	6.4%
Training and development	864	1 599	1 703	1 523	20.8%	0.9%	2 500	2 600	2 752	21.8%	1.1%
Operating payments	692	2 392	3 257	1 095	16.5%	1.2%	437	444	471	-24.5%	0.3%
Venues and facilities	230	975	387	660	42.1%	0.4%	604	616	776	5.5%	0.3%
Rental and hiring	-	-	44	-	-	-	-	-	-	-	-
Transfers and subsidies	394	267	1 172	175	-23.7%	0.3%	173	179	188	2.4%	0.1%
Departmental agencies and accounts	131	157	219	165	8.0%	0.1%	173	179	188	4.4%	0.1%
Households	263	110	953	10	-66.4%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	4 448	2 426	3 575	2 867	-13.6%	2.1%	1 555	1 512	1 634	-17.1%	0.9%
Machinery and equipment	4 394	2 312	3 575	2 649	-15.5%	2.1%	1 555	1 512	1 634	-14.9%	0.8%
Software and other intangible assets	54	114	-	218	59.2%	0.1%	-	-	-	-100.0%	-
Payments for financial assets	-	79	33	-	-	-	-	-	-	-	-
Total	114 442	152 404	171 655	189 659	18.3%	100.0%	217 101	225 676	238 932	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.6%			0.6%	0.6%	0.6%		

Table 17.5 Administration

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	131	157	219	165	8.0%	0.1%	173	179	188	4.4%	0.1%
Education, Training and Development Practices Sector Education and Training Authority	125	157	219	165	9.7%	0.1%	173	179	188	4.4%	0.1%
Claims against the state	6	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	263	110	953	10	-66.4%	0.2%	-	-	-	-100.0%	-
Employee social benefits	263	110	953	10	-66.4%	0.2%	-	-	-	-100.0%	-

Personnel information

Table 17.6 Details of approved establishment and personnel numbers according to salary level¹

Administration	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	320	38	352	88.0	0.3	368	105.5	0.3	358	115.0	0.3	358	120.9	0.3	358	129.3	0.4	-0.9%	100.0%
1 - 6	143	38	189	19.5	0.1	187	22.9	0.1	181	24.6	0.1	181	25.6	0.1	181	27.1	0.1	-1.1%	50.6%
7 - 10	117	-	110	26.2	0.2	120	32.7	0.3	117	38.5	0.3	117	40.4	0.3	117	43.3	0.4	-0.8%	32.7%
11 - 12	29	-	28	15.6	0.6	32	20.2	0.6	29	18.3	0.6	29	19.4	0.7	29	20.7	0.7	-3.2%	8.3%
13 - 16	31	-	23	22.0	1.0	27	25.1	0.9	29	30.0	1.0	29	31.8	1.1	29	34.1	1.2	2.4%	7.9%
Other	-	-	2	4.7	2.4	2	4.7	2.3	2	3.6	1.8	2	3.8	1.9	2	4.1	2.0	-	0.6%

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

2. Rand million.

Expenditure trends

The department will focus on providing the required corporate services to the department, ensuring that the *Office of the Chief Financial Officer* subprogramme has the requisite personnel to manage the department's finances and seeing to its accommodation needs. Thus the bulk of expenditure over the medium term is on compensation of employees and property payments and in the *Corporate Services*, *Office of the Chief Financial Officer* and *Office Accommodation* subprogrammes. These are also the primary areas of increased expenditure over this period.

Over the medium term, the department expects the number of personnel to remain constant. The increase in expenditure on compensation of employees between 2012/13 and 2016/17 is mainly driven by the upgrading of clerical posts in 2013/14, additional funding for improved conditions of services and the filling of critical vacant positions. There were 4 funded vacant positions as at 30 November 2013 as a result of attrition. The vacancies are in the process of being filled.

To provide additional accommodation for personnel after the rapid growth which occurred after the department's establishment in 2010, spending on property payments in the *Office Accommodation* subprogramme is projected to increase by R12.9 million from 2013/14 to 2014/15.

Between 2010/11 and 2013/14, programme expenditure increased mainly due to the appointment of additional personnel and the related goods and services expenditure and capital costs required to establish the department in 2010. In this period, the number of filled posts increased from 190 in 2010/11 to 352 in 2012/13, including 45 interns. To give effect to Cabinet approved reductions, the department will reduce spending by R12.3 million over the medium term on various goods and services items.

Programme 2: Human Resource Development, Planning and Monitoring Coordination

Objectives

- Provide accurate data on skills supply and demand in the country by establishing and maintaining an integrated higher education and training management information system, linking all providers of education and training, and integrating all institutional data into a single system by 2014/15.
- Improve career advisory services by:
 - ensuring that a career development policy and implementation strategy is developed by 2015/16
 - establishing and maintaining a coherent career development service by March 2017.
- Foster productive international cooperation on educational themes across all levels of education by pursuing and strengthening bilateral relations with priority countries annually.
- Promote social inclusion, equity and transformation within the department and its entities by focusing on policy research, monitoring and evaluation in matters relating to race, class, gender, age, disability, geography, HIV and AIDS, 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 3 in 2013/14.
- *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 resources development strategy. In 2013/14, key outputs included the development of ministerial guidelines to the national qualifications framework; the establishment of structures and strategic performance plans for the Human Resource Development Council; and the development of the department's annual performance and strategic plans, and associated reporting. This subprogramme had a staff complement of 20 in 2013/14.
- *Planning, Information, Monitoring and Evaluation Coordination* monitors and evaluates policy outputs of the department; coordinates research in the fields of higher education and training; and ensures that education policies, plans and legislation are developed into systems through monitoring their implementation on an ongoing basis. In 2012/13, the focus was on revising policy related to education and training information, developing frameworks for career guidance services, and providing coordinated information on skills supply and demand in the country. After public consultation, the minister published the higher education and training information policy in 2013/14. In addition, a successful project, incorporating a career helpline and a national career advice portal, was undertaken in 2010/11 and extended to the end of September 2014 with further support from the National Skills Fund and the European Union. This subprogramme had a staff complement of 21 in 2013/14.
- *International Relations* develops and promotes international relations; supports the United Nations Educational, Scientific and Cultural Organisation in the higher education subsystem; and manages, monitors and reports on international donor grant funding. In line with the pursuit of African advancement and international cooperation in education and training, R2.9 million was transferred in 2013/14 to the Commonwealth of Learning and the India-Brazil-South Africa Trilateral Commission for membership fees. This subprogramme had a staff complement of 16 in 2013/14.
- *Legal and Legislative Services* manages the legal and legislative services of the department, universities, colleges, sector education and training authorities, and the National Skills Fund with regard to legal and legislative matters. A key activity in 2013/14 was the management of the amendments to skills legislation in relation to the shifting of the further education and training colleges function from the provincial to the national sphere. 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. This subprogramme had a staff complement of 12 in 2013/14.

- *Social Inclusion in Education* promotes access to higher education and participation by all learners in 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. In 2012/13, a policy document was developed and submitted to the minister and the oversight committee on transformation and social inclusion. A key output is a report on the implementation of the social inclusion policy framework, which was expected to be completed by the end of March 2014. This subprogramme had a staff complement of 8 in 2013/14.

Expenditure estimates

Table 17.7 Human Resource Development, Planning and Monitoring Coordination

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate		Expenditure/total: Average	
	2010/11	2011/12	2012/13		2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17		
R thousand													
Programme Management: Human Resource Development, Planning and Monitoring Coordination	2 091	2 970	4 024	4 133	25.5%	8.6%	2 823	2 982	3 235	-7.8%		6.5%	
Human Resource Development, Strategic Planning and Coordination	6 484	10 030	9 127	11 609	21.4%	24.2%	11 320	11 979	12 800	3.3%		23.5%	
Planning, Information, Monitoring and Evaluation Coordination	2 714	4 854	6 511	9 007	49.2%	15.0%	8 753	9 253	9 881	3.1%		18.2%	
International Relations	7 376	9 920	10 852	9 757	9.8%	24.6%	10 284	10 919	11 594	5.9%		21.0%	
Legal and Legislative Services	4 926	6 837	7 142	9 006	22.3%	18.1%	11 241	11 727	12 476	11.5%		21.9%	
Social Inclusion in Education	2 178	3 463	5 173	3 928	21.7%	9.6%	4 364	4 622	4 930	7.9%		8.8%	
Total	25 769	38 074	42 829	47 440	22.6%	100.0%	48 785	51 482	54 916	5.0%		100.0%	
Change to 2013 Budget estimate				(626)			(4 037)	(4 280)	(4 384)				

Economic classification

Current payments	23 568	35 419	39 899	44 244	23.4%	92.9%	45 488	47 999	51 278	5.0%	93.3%
Compensation of employees	20 207	27 507	33 412	38 397	23.9%	77.6%	38 125	40 409	43 261	4.1%	79.1%
Goods and services	3 361	7 912	6 487	5 847	20.3%	15.3%	7 363	7 590	8 017	11.1%	14.2%
of which:											
Administration fees	12	9	1	8	-12.6%	-	6	6	6	-9.1%	-
Advertising	-	128	126	-	-	0.2%	12	13	15	-	-
Assets less than the capitalisation threshold	22	69	68	106	68.9%	0.2%	187	167	188	21.0%	0.3%
Bursaries: Employees	-	-	-	2	-	-	-	-	-	-100.0%	-
Catering: Departmental activities	78	143	114	112	12.8%	0.3%	89	105	114	0.6%	0.2%
Communication	378	461	545	590	16.0%	1.3%	520	555	577	-0.7%	1.1%
Computer services	9	4	97	80	107.1%	0.1%	240	240	257	47.6%	0.4%
Consultants and professional services: Business and advisory services	-	3	82	12	-	0.1%	42	45	51	62.0%	0.1%
Consultants and professional services: Legal costs	689	2 782	1 320	1 282	23.0%	3.9%	2 592	2 600	2 650	27.4%	4.5%
Contractors	3	26	101	2	-12.6%	0.1%	9	9	9	65.1%	-
Agency and support / outsourced services	-	171	120	95	-	0.3%	54	54	54	-17.2%	0.1%
Fleet services (including government motor transport)	-	-	-	20	-	-	-	-	-	-100.0%	-
Inventory: Learner and teacher support material	17	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	5	1	6	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	7	3	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	258	329	337	529	27.0%	0.9%	311	340	361	-12.0%	0.8%
Operating leases	10	78	171	19	23.9%	0.2%	-	-	-	-100.0%	-
Property payments	24	46	60	1	-65.3%	0.1%	1	2	2	26.0%	-
Travel and subsistence	1 631	2 988	2 797	2 018	7.4%	6.1%	2 548	2 670	2 908	13.0%	5.0%
Training and development	-	7	-	6	-	-	-	-	-	-100.0%	-
Operating payments	127	65	385	881	90.7%	0.9%	631	634	674	-8.5%	1.4%
Venues and facilities	97	595	154	84	-4.7%	0.6%	121	150	151	21.6%	0.2%

Table 17.7 Human Resource Development, Planning and Monitoring Coordination

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Transfers and subsidies	2 082	2 379	2 639	2 864	11.2%	6.5%	2 915	3 156	3 323	5.1%	6.0%	
Foreign governments and international organisations	2 082	2 379	2 639	2 864	11.2%	6.5%	2 915	3 156	3 323	5.1%	6.0%	
Payments for capital assets	119	276	291	332	40.8%	0.7%	382	327	315	-1.7%	0.7%	
Machinery and equipment	119	276	291	325	39.8%	0.7%	382	327	315	-1.0%	0.7%	
Software and other intangible assets	-	-	-	7	-	-	-	-	-	-100.0%	-	
Total	25 769	38 074	42 829	47 440	22.6%	100.0%	48 785	51 482	54 916	5.0%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.1%			0.1%	0.1%	0.1%			

Details of transfers and subsidies

Foreign governments and international organisations											
Current											
	2 082	2 379	2 639	2 864	11.2%	6.5%	2 915	3 156	3 323	5.1%	6.0%
Indian-Brazil-South Africa Trilateral Commission	352	379	442	500	12.4%	1.1%	500	500	527	1.8%	1.0%
Commonwealth of Learning	1 730	2 000	2 197	2 364	11.0%	5.4%	2 415	2 656	2 796	5.8%	5.0%

Personnel information

Table 17.8 Details of approved establishment and personnel numbers according to salary level¹

Human Resource Development, Planning and Monitoring Coordination	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	72	8	83	33.4	0.4	77	35.2	0.5	80	38.1	0.5	80	40.4	0.5	80	43.3	0.5	1.3%	100.0%
1 - 6	7	8	19	1.6	0.1	15	2.2	0.1	15	1.8	0.1	15	1.9	0.1	15	2.0	0.1	-	18.9%
7 - 10	34	-	28	9.8	0.4	34	9.9	0.3	34	11.6	0.3	34	12.3	0.4	34	13.2	0.4	-	42.9%
11 - 12	15	-	17	10.7	0.6	14	10.7	0.8	15	10.0	0.7	15	10.6	0.7	15	11.4	0.8	2.3%	18.6%
13 - 16	16	-	19	11.2	0.6	14	12.4	0.9	16	14.7	0.9	16	15.6	1.0	16	16.7	1.0	4.6%	19.6%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on developing, implementing and monitoring departmental policies, and promoting international relations, as well as supporting the United Nations Educational, Scientific and Cultural Organisation in the higher education subsystem. This requires periodic domestic and international travel and accounts for the level of, and growth in, expenditure on travel and subsistence over the medium term. Spending on compensation of employees is the largest item of expenditure in this programme over the seven-year period. The spending increase of 23.9 per cent between 2010/11 and 2013/14 under this item was as a result of critical vacant positions being filled across all subprogrammes so as to fully capacitate the department after its establishment in 2010. This saw the number of filled posts increase from 42 in 2010/11 to 77 in 2013/14, included 8 interns, and is also the reason for the growth in expenditure across all subprogrammes in this period. There were 3 funded vacant posts at the end of November 2013 as a result of normal attrition. These vacancies are in the process of being filled and will bring the number of personnel to 80 over the medium term.

The significant increase in expenditure in the *Legal and Legislative Services* subprogramme over the medium term is mainly driven by the legal costs related to proposed amendments to skills and further education and training legislation. Spending on consultants was equivalent to 4.2 per cent of the expenditure on compensation of employees in 2012/13, and is expected to increase from R1.4 million in 2012/13 to R2.7 million in 2016/17. Consultants in this programme are mainly used for legal services.

Programme 3: University Education

Objectives

- Support universities to increase their graduate output, especially in scarce skills, by providing foundation and teaching development grants to increase the number of:
 - engineering graduates from 9 387 in 2012/13 to 13 000 in 2016/17
 - life and physical science graduates from 5 526 in 2012/13 to 9 000 in 2016/17, and human and animal health sciences graduates from 8 070 in 2012/13 to 10 000 in 2016/17.
- Expand equitable access to and success in higher education by supporting institutions with the annual allocation of grants earmarked for foundation programmes, teaching development and infrastructure development.
- Monitor the performance of all 25 universities annually by providing reliable planning and monitoring data through a quality higher education management information system and updating the student data biannually.
- Enhance and support university research capacity and productivity through the provision of research and development grants to increase the number of graduates of masters programmes from 5 281 graduates in 2012/13 to 6 984 in 2016/17, and of doctoral programmes from 1 576 graduates in 2012/13 to 2 339 in 2016/17.
- Improve access to university education opportunities in Mpumalanga and Northern Cape by overseeing the establishment of universities for these provinces over the medium to long term.
- Expand the provision of initial teacher education and increase the number of newly qualified teachers by increasing the number of institutions providing foundation phase teacher education from 20 in 2012/13 to 21 in 2016/17, and the number of graduates from initial teacher education programmes from 10 543 in 2012/13 to 15 000 in 2016/17.

Subprogrammes

- *Programme Management: University Education* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions for the programme. This subprogramme had a staff complement of 2 in 2013/14.
- *University – Academic Planning and Management* plans and monitors the university system. This entails analysing institutional and national plans, and maintaining programme and qualification combinations. The bulk of this subprogramme's budget is transferred to the National Student Financial Aid Scheme for university and further education and training college student loans and bursaries. Transfers are also made to the Council on Higher Education and Training as well as to the South African Qualifications Authority as contributions to their operations. In 2012/13, a programme qualifications framework and initial spatial plans were developed for 2 new universities: the Sol Plaatje University in Kimberley and the University of Mpumalanga in Nelspruit. By the end of September 2013, 5 of the 6 programmes that are offered at the two new universities had been accredited by the Council on Higher Education and interim heads for the interim management teams for each university had been appointed. Construction on the new infrastructure for Sol Plaatje University had started and refurbishment of existing buildings to accommodate the 2014 academic programmes had begun at both institutions. Sol Plaatje University was formally opened by the president in September 2013, and the University of Mpumalanga was opened in October 2013. These universities opened their doors in January 2014, with 140 students enrolled at Sol Plaatje and 135 students at Mpumalanga. This subprogramme had a staff complement of 19 in 2013/14.
- *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. Ongoing responsibilities include monitoring and assessing progress reports on the use of earmarked grants, including conducting site visits to all universities twice a year, and ensuring that the higher education information management system is properly maintained with updated data. Outputs over the medium term include a revised framework for university funding, implementing changes to the higher education management information system as a result of new policy initiatives and changes to policy.

In 2012/13, a report on the use of funding in relation to success rates in higher education studies at public institutions was produced for each of the 23 institutions. By the end of September 2013, a draft policy on a teaching development grant to improve the quality and impact of university teaching had been developed. This subprogramme had a staff complement of 13 in 2013/14.

- *University – Policy and Development* regulates private university institutions and provides support for the development of universities. 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 funding could be made. The specific focus over the medium term will be on establishing the 2 new universities in Mpumalanga and Northern Cape, for which the names and seat of each university, the names of those appointed of the interim council, and the sites of delivery were officially gazetted in August 2013. The 2013 academic year focused on preparing the institutional, governance and management environment for the first cohort of students in 2014. In 2013/14, a workshop for life orientation teachers was held as a highlight of the Apply Now campaign. This subprogramme had a staff complement of 25 in 2013/14.
- *Teacher Education* develops a responsive and comprehensive national teacher education and development system as a subsystem of the higher education and training system, develops and maintains academic policy for teacher education qualifications in line with the higher education qualifications framework, mentors institutions for adherence to policy, and supports policy implementation to ensure relevant curricula and a sufficient supply of well qualified teachers for all education subsystems. In 2012/13, a draft policy on further education and training lecturer qualifications was submitted to the Council on Higher Education for comment. In 2013/14, a national workshop was held with universities on the implementation of the policy on professional qualifications for technical and vocational education and training college lecturers. A key output over the medium term will be the finalisation and implementation of policies on teacher education qualifications for the different education subsectors (early childhood development, schooling, vocational education and training, adult education, and university education). This subprogramme had a staff complement of 20 in 2013/14.
- *University Subsidies* transfers payments to universities. The bulk of this subprogramme's budget is used for unconditional block grant transfers to the 25 universities. Funding is allocated to universities based on research outputs, teaching inputs and outputs, and contextual factors such as the number of disadvantaged students enrolled at an institution.

Expenditure estimates

Table 17.9 University Education

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17		
R thousand												
Programme Management: University Education	1 866	1 843	1 620	2 393	8.6%	–	2 761	2 913	3 158	9.7%	–	
University - Academic Planning and Management	1 997 307	4 044 197	5 290 734	5 870 825	43.2%	17.6%	6 248 320	6 563 930	6 932 446	5.7%	20.3%	
University - Financial Planning and Information Systems	5 631	7 855	9 894	9 808	20.3%	–	8 916	9 407	10 033	0.8%	–	
University - Policy and Development	11 125	13 744	16 761	20 026	21.6%	0.1%	21 925	23 069	24 583	7.1%	0.1%	
Teacher Education	5 246	6 558	6 925	8 921	19.4%	–	11 022	11 661	12 454	11.8%	–	
University Subsidies	17 516 740	19 354 159	20 902 779	22 388 767	8.5%	82.2%	24 155 093	26 243 227	27 634 118	7.3%	79.6%	
Total	19 537 915	23 428 356	26 228 713	28 300 740	13.1%	100.0%	30 448 037	32 854 207	34 616 792	6.9%	100.0%	
Change to 2013 Budget estimate				(2 911)			21 999	50 732	74 060			

Table 17.9 University Education

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Current payments	34 362	36 005	38 922	43 848	8.5%	0.2%	48 637	51 408	54 997	7.8%	0.2%
Compensation of employees	28 010	28 804	30 579	36 526	9.3%	0.1%	42 466	44 996	48 142	9.6%	0.1%
Goods and services	6 352	7 201	8 343	7 322	4.9%	-	6 171	6 412	6 855	-2.2%	-
of which:											
Administration fees	7	-	-	2	-34.1%	-	11	12	12	81.7%	-
Advertising	198	290	99	130	-13.1%	-	100	90	122	-2.1%	-
Assets less than the capitalisation threshold	33	27	47	14	-24.9%	-	65	69	69	70.2%	-
Catering: Departmental activities	132	156	172	138	1.5%	-	122	148	147	2.1%	-
Communication	460	434	416	210	-23.0%	-	446	488	485	32.2%	-
Computer services	1	274	285	718	795.5%	-	731	761	801	3.7%	-
Consultants and professional services: Business and advisory services	271	347	1 160	674	35.5%	-	322	334	381	-17.3%	-
Contractors	244	9	20	8	-68.0%	-	-	-	-	-100.0%	-
Agency and support / outsourced services	645	221	769	439	-12.0%	-	-	-	-	-100.0%	-
Fleet services (including government motor transport)	-	1	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	1	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	3	1	-	-	-	-	-	-	-	-
Consumable supplies	-	2	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	273	395	284	507	22.9%	-	870	831	878	20.1%	-
Operating leases	41	61	59	62	14.8%	-	61	51	53	-5.1%	-
Property payments	65	30	19	56	-4.8%	-	19	11	11	-41.9%	-
Transport provided: Departmental activity	-	-	3	-	-	-	-	-	-	-	-
Travel and subsistence	3 509	3 893	4 308	3 500	-0.1%	-	3 030	3 225	3 518	0.2%	-
Training and development	-	13	42	32	-	-	-	-	-	-100.0%	-
Operating payments	297	833	541	585	25.4%	-	107	121	110	-42.7%	-
Venues and facilities	176	212	117	247	12.0%	-	287	271	268	2.8%	-
Transfers and subsidies	19 503 480	23 392 215	26 189 468	28 256 516	13.2%	99.8%	30 399 042	32 802 502	34 561 502	6.9%	99.8%
Departmental agencies and accounts	1 986 740	4 035 056	5 281 377	5 860 694	43.4%	17.6%	6 236 529	6 551 514	6 919 212	5.7%	20.3%
Higher education institutions	17 516 740	19 354 159	20 902 779	22 388 767	8.5%	82.2%	24 155 093	26 243 227	27 634 118	7.3%	79.6%
Non-profit institutions	-	3 000	5 000	7 000	-	-	7 420	7 761	8 172	5.3%	-
Households	-	-	312	55	-	-	-	-	-	-100.0%	-
Payments for capital assets	71	119	323	376	74.3%	-	358	297	293	-8.0%	-
Machinery and equipment	71	119	323	376	74.3%	-	358	297	293	-8.0%	-
Payments for financial assets	2	17	-	-	-100.0%	-	-	-	-	-	-
Total	19 537 915	23 428 356	26 228 713	28 300 740	13.1%	100.0%	30 448 037	32 854 207	34 616 792	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	82.3%	82.8%	83.0%	82.4%			82.6%	82.9%	82.8%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 986 740	4 035 056	5 281 377	5 860 694	43.4%	17.6%	6 236 529	6 551 514	6 919 212	5.7%	20.3%
National Student Financial Aid Scheme	1 909 359	3 956 849	5 195 661	5 769 405	44.6%	17.3%	6 138 832	6 448 551	6 810 674	5.7%	19.9%
Council on Higher Education	36 046	36 772	39 993	41 888	5.1%	0.2%	42 689	43 976	45 663	2.9%	0.1%
South African Qualifications Authority	41 335	41 435	45 723	49 401	6.1%	0.2%	55 008	58 987	62 875	8.4%	0.2%
Households											
Social benefits											
Current	-	-	312	55	-	-	-	-	-	-100.0%	-
Employee social benefits	-	-	312	55	-	-	-	-	-	-100.0%	-
Higher education institutions											
Current	15 905 807	17 714 461	19 088 365	20 227 668	8.3%	74.8%	21 442 093	22 929 629	24 144 900	6.1%	70.3%
University subsidies	15 905 807	17 714 461	19 026 612	20 077 668	8.1%	74.6%	21 283 093	22 763 315	23 969 771	6.1%	69.8%
Witwatersrand: New universities in Mpumalanga and Northern Cape	-	-	61 753	28 719	-	0.1%	159 000	166 314	175 129	82.7%	0.4%
University of Mpumalanga	-	-	-	58 153	-	0.1%	-	-	-	-100.0%	-
Sol Plaatje University	-	-	-	63 128	-	0.1%	-	-	-	-100.0%	0.1%
Capital	1 610 933	1 639 698	1 814 414	2 161 099	10.3%	7.4%	2 713 000	3 313 598	3 489 218	17.3%	9.3%
University subsidies	1 610 933	1 639 698	1 814 414	2 011 099	7.7%	7.3%	2 213 000	2 313 598	2 436 218	6.6%	7.1%
Witwatersrand: New universities in Mpumalanga and Northern Cape	-	-	-	150 000	-	0.2%	500 000	1 000 000	1 053 000	91.5%	2.1%
Non-profit institutions											
Current	-	3 000	5 000	7 000	-	-	7 420	7 761	8 172	5.3%	-
Higher Education South Africa	-	3 000	5 000	7 000	-	-	7 420	7 761	8 172	5.3%	-

Personnel information

Table 17.10 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
University Education																			
Salary level	80	10	72	30.6	0.4	79	32.5	0.4	90	42.5	0.5	90	45.0	0.5	90	48.1	0.5	4.4%	100.0%
1 – 6	8	10	15	1.5	0.1	17	1.5	0.1	18	1.7	0.1	18	1.8	0.1	18	1.9	0.1	1.9%	20.3%
7 – 10	30	–	26	5.5	0.2	27	5.9	0.2	30	6.9	0.2	30	7.3	0.2	30	7.7	0.3	3.6%	33.5%
11 – 12	28	–	21	11.5	0.5	24	13.8	0.6	28	16.8	0.6	28	17.7	0.6	28	18.7	0.7	5.3%	30.9%
13 – 16	14	–	10	8.0	0.8	11	9.5	0.9	14	12.7	0.9	14	13.4	1.0	14	14.2	1.0	8.4%	15.2%
Other	–	–	–	4.0	–	–	1.8	–	–	4.3	–	–	4.8	–	–	5.7	–	–	–

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

2. Rand million.

Expenditure trends

In line with the strategic goal to increase the number of skilled youth by expanding access to education and training, the spending focus over the medium term will be on transfer payments to higher education institutions in the *University Subsidies* subprogramme. R78 billion will be transferred as subsidies to universities over the medium term. R2.2 billion of this allocation will be allocated to universities for infrastructure development in 2014/15 and an additional R2.6 billion is allocated for capital expenditure for the new universities in Mpumalanga and Northern Cape over the medium term. A further R500.4 million is allocated to this subprogramme for the establishment and administration of these universities over the medium term, including completing the technical work to establish the seats of learning, environmental and economic impact assessments, and academic and space architecture. These two new universities will not only increase enrolment rates at higher education institutions but will also increase graduation rates by providing more on-campus student accommodation and focussed bridging programmes.

The department provides loans and bursaries to support deserving poor students at universities and further education and training colleges through the National Student Financial Aid Scheme, which is reflected in spending in the *University – Academic Planning and Management* subprogramme. Government's commitment towards these loans and bursaries is set to increase from R5.8 billion in 2013/14 to R6.8 billion in 2016/17 in support of the drive to expand enrolment at universities and colleges. The number of students enrolled in higher education institutions per year is thus expected to increase from 935 710 in 2013/14 to 1 051 693 in 2016/17. The number of graduates each year is also projected to increase from 179 160 to 191 251 over the medium term.

The number of personnel in this programme is expected to increase from 72 posts in 2012/13 to 90 by 2016/17, which includes 10 interns. This increase is mainly due to the filling of critical vacant positions that resulted from the establishment of the department in April 2010. Over the medium term, the growth in expenditure on compensation of employees will mainly be for improved conditions of service and the filling of the 11 funded vacant posts over this period. These posts were vacant at 30 November 2013, mainly as a result of normal attrition and the difficulties experienced in finding candidates with suitable expertise in the higher education sector.

Programme 4: Vocational and Continuing Education and Training

Objectives

- Ensure the continued relevance of further education and training college programmes by supporting the development of a diverse range of high quality and responsive vocational education and training qualifications and programmes over the MTEF period, through consultation with relevant role players.

- 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 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 in 2015 from the 2011 average baseline of 36.2 per cent, by initiating and supporting interventions such as providing training and support to lecturers.
- Improve the portability of students between colleges, industry and universities of technology by facilitating and supporting partnerships between these institutions over the medium term.
- 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 11 in 2013/14.
- *Planning and Institutional Support* provides the framework, coordination and support to further education and training colleges for the management, governance and delivery of vocational and occupational programmes; manages the further education and training colleges conditional grant to all provinces; manages the further education and training colleges subsidies to 50 further education and training colleges; and 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. The bulk of this subprogramme's budget is used for transfers to the 50 further education and training colleges for their operational expenditure. This is done by means of a college subsidy transferred directly to colleges by the department and a further education and training colleges conditional grant to provinces. In 2013/14, 9 further education and training colleges successfully established relationships with higher education institutions to offer programmes at levels 5 and 6 of the national qualifications framework. In addition, training sessions on improving financial management and the strategic and operational planning of further education and training colleges took place for management and support staff. This subprogramme had a staff complement of 38 in 2013/14.
- *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 supports the education of post-school adults pursuing general education and training certificates and the national senior certificate qualifications. Key ongoing outputs and activities include developing national assessment instruments for recognised programmes offered at further education and training colleges, evaluating such programmes, as well as monitoring assessment processes conducted by further education and training colleges and adult education and training centres. In 2012/13, 201 student support services managers and regional offices officials were trained in the implementation of the student support service framework at a cost of R1.1 million, and 708 lecturers were trained to support curriculum delivery at a cost of R2.9 million. In 2013/14, the training of adult education and training practitioners and further education and training lecturers on curriculum delivery and assessment of teaching and learning support took place, at a cost of R1.7 million. This subprogramme had a staff complement of 26 in 2013/14.
- *National Examination and Assessment* is discussed in more detail below.

Expenditure estimates

Table 17.11 Vocational and Continuing Education and Training

R thousand	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Programme Management: Vocational and Continuing Education and Training	343	1 280	4 717	6 598	167.9%	0.1%	6 392	6 934	7 227	3.1%	0.1%
Planning and Institutional Support	3 818 754	4 390 775	4 862 215	5 486 237	12.8%	96.6%	5 845 926	6 199 428	6 534 293	6.0%	96.7%
Programmes and Qualifications	11 509	12 882	14 922	13 603	5.7%	0.3%	15 703	16 625	17 740	9.3%	0.3%
National Examination and Assessment	112 264	135 901	164 087	184 570	18.0%	3.1%	174 156	178 928	189 065	0.8%	2.9%
Total	3 942 870	4 540 838	5 045 941	5 691 008	13.0%	100.0%	6 042 177	6 401 915	6 748 325	5.8%	100.0%
Change to 2013 Budget estimate				26 551			29 713	59 506	67 775		

Economic classification

	138 531	164 994	200 102	222 799	17.2%	3.8%	214 358	221 766	234 642	1.7%	3.6%
Current payments											
Compensation of employees	96 462	116 040	147 152	152 982	16.6%	2.7%	157 734	164 421	174 215	4.4%	2.6%
Goods and services	42 069	48 954	52 950	69 817	18.4%	1.1%	56 624	57 345	60 427	-4.7%	1.0%
<i>of which:</i>											
Advertising	26	100	68	82	46.6%	-	85	99	106	8.9%	-
Assets less than the capitalisation threshold	92	61	388	380	60.4%	-	145	146	159	-25.2%	-
Audit costs: External	6	-	-	-	-100.0%	-	50	50	-	-	-
Catering: Departmental activities	1 379	2 204	4 265	3 046	30.2%	0.1%	1 957	1 992	2 118	-11.4%	-
Communication	506	1 300	1 009	682	10.5%	-	1 258	1 283	1 356	25.7%	-
Computer services	9 148	14 394	11 302	24 154	38.2%	0.3%	10 103	10 151	10 664	-23.9%	0.2%
Consultants and professional services: Business and advisory services	-	-	96	44	-	-	120	122	128	42.8%	-
Consultants and professional services: Legal costs	-	-	-	-	-	-	-	5	-	-	-
Contractors	20	31	-	10	-20.6%	-	62	63	72	93.1%	-
Agency and support / outsourced services	45	13	585	940	175.4%	-	-	-	-	-100.0%	-
Fleet services (including government motor transport)	-	19	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	43	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	11	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	10	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	6	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	108	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	8 990	10 064	15 008	8 987	-	0.2%	5 485	5 483	5 836	-13.4%	0.1%
Operating leases	3 573	3 566	255	4 374	7.0%	0.1%	5 319	5 369	5 664	9.0%	0.1%
Property payments	158	6	47	9	-61.5%	-	12	12	12	10.1%	-
Travel and subsistence	13 014	13 132	15 929	23 216	21.3%	0.3%	26 772	27 221	28 698	7.3%	0.4%
Training and development	-	5	-	-	-	-	-	-	-	-	-
Operating payments	4 970	2 395	3 032	3 562	-10.5%	0.1%	4 970	5 049	5 291	14.1%	0.1%
Venues and facilities	136	1 492	966	331	34.5%	-	286	300	323	-0.8%	-
Transfers and subsidies	3 803 962	4 375 403	4 845 119	5 467 377	12.9%	96.2%	5 827 173	6 179 574	6 513 122	6.0%	96.4%
Provinces and municipalities	3 803 958	4 375 311	4 844 607	2 454 188	-13.6%	80.5%	2 631 346	2 818 573	2 973 988	6.6%	43.7%
Departmental agencies and accounts	-	2	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	3 013 189	-	15.7%	3 195 827	3 361 001	3 539 134	5.5%	52.7%
Households	4	90	512	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	377	441	720	832	30.2%	-	646	575	561	-12.3%	-
Machinery and equipment	377	441	720	832	30.2%	-	646	575	561	-12.3%	-
Total	3 942 870	4 540 838	5 045 941	5 691 008	13.0%	100.0%	6 042 177	6 401 915	6 748 325	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	16.6%	16.1%	16.0%	16.6%			16.4%	16.1%	16.2%		

Details of transfers and subsidies

Departmental agencies and accounts										
Departmental agencies (non-business entities)										
Current	-	2	-	-	-	-	-	-	-	-
Claims against the state	-	2	-	-	-	-	-	-	-	-
Households										
Social benefits										
Current	4	90	512	-	-100.0%	-	-	-	-	-
Employee social benefits	4	90	512	-	-100.0%	-	-	-	-	-

Table 17.11 Vocational and Continuing Education and Training

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Non-profit institutions											
Current	-	-	-	3 013 189	-	15.7%	3 195 827	3 361 001	3 539 134	5.5%	52.7%
Further education and training colleges	-	-	-	3 013 189	-	15.7%	3 195 827	3 361 001	3 539 134	5.5%	52.7%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	3 803 958	4 375 311	4 844 607	2 454 188	-13.6%	80.5%	2 631 346	2 818 573	2 973 988	6.6%	43.7%
Further education and training colleges grant	3 803 958	4 375 311	4 844 607	2 454 188	-13.6%	80.5%	2 631 346	2 818 573	2 973 988	6.6%	43.7%

Personnel information

Table 17.12 Details of approved establishment and personnel numbers according to salary level¹

Vocational and Continuing Education and Training	Number of posts estimated for 31 March 2014	Number of posts funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
Salary level	195	23		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
				177	147.2	0.8	223	159.1	0.7	230	157.7	0.7	230	164.4	0.7	230	174.2	0.8	1.0%	100.0%
1 – 6	71	23		69	8.1	0.1	101	11.0	0.1	106	12.2	0.1	106	12.8	0.1	106	13.4	0.1	1.6%	45.9%
7 – 10	78	-		70	15.9	0.2	77	18.0	0.2	78	19.1	0.2	78	20.1	0.3	78	21.2	0.3	0.4%	34.1%
11 – 12	31	-		26	14.2	0.5	30	17.4	0.6	31	19.0	0.6	31	20.0	0.6	31	21.0	0.7	1.1%	13.5%
13 – 16	15	-		12	9.8	0.8	15	12.7	0.8	15	13.4	0.9	15	14.1	0.9	15	14.9	1.0	-	6.6%
Other	-	-		-	99.2	-	-	99.9	-	-	94.1	-	-	97.4	-	-	103.7	-	-	-

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on making transfers to further education and training colleges, either in the form of the further education and training colleges' conditional grant via provinces, or the college subsidies grant, which was introduced in 2013/14 as a direct contribution to the colleges for their operations. The projected growth in expenditure of the subsidies and grants over the medium term is to allow enrolment in further education and training colleges to increase from 345 566 in 2010/11 to an estimated 500 000 in 2016/17.

The number of personnel in this programme is expected to increase from 177 posts in 2012/13 to 230 in 2014/15, and will remain at this level over the medium term. This increase is mainly due to the filling of posts to facilitate the shifting of the further education and training colleges and adult education and training functions from provincial education departments to the national department.

Subprogramme: National Examination and Assessment

This subprogramme administers and manages the conduct of national assessment in the further education and training college and adult education and training sector. Key ongoing outputs and activities include national assessment instruments, appointing examination 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 9 examination cycles in an academic year. In 2013/14, a review of learner performance, including a reflection on the challenges raised by the 2012 Umalusi report on the general education and training certificate, was also conducted. Examination centres were monitored during examination writing and marking processes for all the examination cycles. In 2013/14, R131.5 million will be spent on these examination processes. 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 projected cost of R417.3 million. This subprogramme had a staff complement of 139 in 2013/14.

Expenditure estimates

Table 17.13 National Examination and Assessment

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17		
R thousand											
Current payments	112 210	135 436	163 345	183 908	17.9%	99.7%	173 748	178 517	188 631	0.8%	99.7%
Compensation of employees	73 331	90 470	116 748	116 914	16.8%	66.6%	120 034	124 246	131 485	4.0%	67.8%
Goods and services	38 879	44 966	46 597	66 994	19.9%	33.1%	53 714	54 271	57 146	-5.2%	31.9%
<i>of which:</i>											
<i>Assets less than the capitalisation threshold</i>	51	42	269	328	86.0%	0.1%	62	62	64	-42.0%	0.1%
<i>Audit costs: External</i>	-	-	-	-	-	-	50	50	-	-	-
<i>Catering: Departmental activities</i>	1 262	2 080	4 028	2 872	31.5%	1.7%	1 836	1 863	1 960	-12.0%	1.2%
<i>Communication</i>	131	826	609	481	54.3%	0.3%	960	963	1 011	28.1%	0.5%
<i>Computer services</i>	9 148	14 391	11 302	24 152	38.2%	9.9%	10 098	10 151	10 659	-23.9%	7.6%
<i>Consultants and professional services:</i>	-	-	-	44	-	-	120	122	128	42.8%	0.1%
<i>Business and advisory services</i>											
<i>Contractors</i>	11	21	-	-	-100.0%	-	62	63	72	-	-
<i>Agency and support / outsourced services</i>	45	-	-	940	175.4%	0.2%	-	-	-	-100.0%	0.1%
<i>Fleet services (including government motor transport)</i>	-	19	-	-	-	-	-	-	-	-	-
<i>Inventory: Fuel, oil and gas</i>	-	43	-	-	-	-	-	-	-	-	-
<i>Inventory: Learner and teacher support material</i>	-	11	-	-	-	-	-	-	-	-	-
<i>Inventory: Medical supplies</i>	-	10	-	-	-	-	-	-	-	-	-
<i>Consumable supplies</i>	-	108	-	-	-	-	-	-	-	-	-
<i>Consumable: Stationery, printing and office supplies</i>	8 586	9 954	14 666	8 727	0.5%	7.0%	5 290	5 304	5 635	-13.6%	3.4%
<i>Operating leases</i>	3 522	3 512	195	4 332	7.1%	1.9%	5 284	5 299	5 594	8.9%	2.8%
<i>Property payments</i>	140	-	-	-	-100.0%	-	-	-	-	-	-
<i>Travel and subsistence</i>	11 132	10 158	11 772	21 458	24.5%	9.1%	24 839	25 200	26 580	7.4%	13.5%
<i>Operating payments</i>	4 851	2 359	2 941	3 453	-10.7%	2.3%	4 952	5 030	5 270	15.1%	2.6%
<i>Venues and facilities</i>	-	1 432	815	207	-	0.4%	161	164	173	-5.8%	0.1%
Transfers and subsidies	4	90	430	-	-100.0%	0.1%	-	-	-	-	-
Households	4	90	430	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	50	375	312	662	136.6%	0.2%	408	411	434	-13.1%	0.3%
Machinery and equipment	50	375	312	662	136.6%	0.2%	408	411	434	-13.1%	0.3%
Total	112 264	135 901	164 087	184 570	18.0%	100.0%	174 156	178 928	189 065	0.8%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	2.8%	3.0%	3.3%	3.2%			2.9%	2.8%	2.8%		

Expenditure trends

The spending focus over the medium term will be on the examination and assessment function to address the increased volume of question papers and tasks to be set as well as the increased number of scripts to be marked in line with the increased enrolment expected. The main items affected by the increased volume of work include travel and subsistence of moderators and markers, computer services, and stationery and printing, all of which will increase over the medium term. The increased enrolment between 2010/11 and 2013/14 similarly affected expenditure in those years. A projected 63.6 per cent of the total allocation for compensation of employees in 2013/14 in this subprogramme relates to the remuneration of examiners and moderators, who are not part of the department's establishment.

The increase in personnel numbers from 111 in 2012/13 to 139 in 2012/13 is mainly to provide for the increased administration and oversight responsibilities of the examination and assessment function in the further education and training college and adult education and training sectors. This increase in personnel as well as the increased volume of question papers to be set, moderated and marked, accounts for the growth in expenditure on compensation of employees over the medium term as well as in the period between 2010/11 and 2013/14.

Programme 5: Skills Development

Objectives

- Promote quality learning at work and for work by:
 - ensuring that the number of new artisan learners registered for training increases from 21 849 in 2012/13 to 29 000 in 2016/17
 - increasing the number of competent artisans entering the labour market from 8 655 in 2012/13 to 15 000 in 2016/17
 - facilitating professional placements, work integrated learning, apprenticeships, learnerships and internships on an ongoing basis.
- Promote the alignment of skills development outputs with the needs of the workplace and 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 in 2013/14.
- SETA Coordination* is discussed in more detail below.
- National Skills Development Services* manages projects identified in the national skills development strategy, and advises the minister on national skills development policy and strategy. Over the medium term, a key ongoing activity will be monitoring the implementation of the third national skills development strategy, which charts the way forward for skills development, at a projected cost of R7.2 million. Key activities in this subprogramme in 2013/14 were the hosting of the national skills conference, which was funded through the National Skills Fund at a cost of R5.8 million and the management of the National Skills Authority secretariat at a cost of R4.5 million. This subprogramme had a staff complement of 12 in 2013/14.
- Quality Development and Promotion* transfers funds to the Quality Council for Trades and Occupations as a contribution to the council's operations. This subprogramme's total budget is transferred to the council.

Expenditure estimates

Table 17.14 Skills Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Programme Management: Skills Development	2 655	4 250	2 049	2 077	-7.9%	2.4%	3 025	3 229	3 472	18.7%	2.6%
SETA Coordination	68 312	65 363	64 997	73 345	2.4%	60.2%	75 225	79 461	84 850	5.0%	68.5%
National Skills Development Services	58 762	25 523	5 864	7 884	-48.8%	21.7%	9 164	9 639	10 276	9.2%	8.1%
Quality Development and Promotion	1 629	26 889	20 352	21 747	137.2%	15.6%	23 167	24 348	25 638	5.6%	20.8%
Total	131 358	122 025	93 262	105 053	-7.2%	100.0%	110 581	116 677	124 236	5.7%	100.0%
Change to 2013 Budget estimate				(543)			(2 091)	(2 196)	(1 802)		
Economic classification											
Current payments	79 145	74 713	71 820	82 042	1.2%	68.1%	86 678	91 304	97 115	5.8%	78.2%
Compensation of employees	65 069	63 224	61 268	69 264	2.1%	57.3%	73 228	77 682	83 149	6.3%	66.4%
Goods and services	14 076	11 489	10 552	12 778	-3.2%	10.8%	13 450	13 622	13 966	3.0%	11.8%
of which:											
Administration fees	–	–	–	51	–	–	–	–	–	-100.0%	–
Advertising	114	63	3	50	-24.0%	0.1%	95	105	115	32.0%	0.1%
Assets less than the capitalisation threshold	64	129	56	698	121.8%	0.2%	2 347	2 363	2 361	50.1%	1.7%
Audit costs: External	–	–	–	–	–	–	12	12	12	–	–
Catering: Departmental activities	359	177	210	131	-28.5%	0.2%	456	468	484	54.6%	0.3%
Communication	679	1 205	1 112	1 246	22.4%	0.9%	1 062	1 085	1 119	-3.5%	1.0%
Computer services	309	17	19	–	-100.0%	0.1%	–	–	–	–	–

Table 17.14 Skills Development

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17			2013/14 - 2016/17
	R thousand												
Consultants and professional services:	5	812	392	452	348.8%	0.4%	563	565	570	8.0%	0.5%		
Business and advisory services													
Contractors	278	117	18	188	-12.2%	0.1%	202	202	202	2.4%	0.2%		
Agency and support / outsourced services	1 339	998	179	5	-84.5%	0.6%	250	250	250	268.4%	0.2%		
Fleet services (including government motor transport)	-	-	-	175	-	-	-	-	-	-100.0%	-		
Inventory: Food and food supplies	1 209	643	463	600	-20.8%	0.6%	650	-	-	-100.0%	0.3%		
Inventory: Fuel, oil and gas	83	25	57	90	2.7%	0.1%	100	-	-	-100.0%	-		
Inventory: Learner and teacher support material	1	-	-	-	-100.0%	-	-	-	-	-	-		
Inventory: Materials and supplies	3 358	1 639	2 315	806	-37.9%	1.8%	1 000	-	-	-100.0%	0.4%		
Inventory: Medical supplies	-	-	-	12	-	-	2	-	-	-100.0%	-		
Inventory: Other supplies	528	-	-	400	-8.8%	0.2%	300	-	-	-100.0%	0.2%		
Consumable supplies	-	301	362	-	-	0.1%	-	-	-	-	-		
Consumable: Stationery, printing and office supplies	923	1 345	567	3 213	51.6%	1.3%	2 631	4 690	4 730	13.8%	3.3%		
Operating leases	479	429	456	932	24.8%	0.5%	783	780	791	-5.3%	0.7%		
Property payments	596	138	954	528	-4.0%	0.5%	300	300	300	-17.2%	0.3%		
Travel and subsistence	2 888	3 196	3 208	2 634	-3.0%	2.6%	2 612	2 717	2 944	3.8%	2.4%		
Training and development	10	5	6	-	-100.0%	-	-	-	-	-	-		
Operating payments	104	84	114	195	23.3%	0.1%	25	25	28	-47.6%	0.1%		
Venues and facilities	750	166	61	372	-20.8%	0.3%	60	60	60	-45.6%	0.1%		
Transfers and subsidies	51 848	46 869	20 896	21 747	-25.1%	31.3%	23 167	24 348	25 638	5.6%	20.8%		
Departmental agencies and accounts	51 731	46 829	20 384	21 747	-25.1%	31.1%	23 167	24 348	25 638	5.6%	20.8%		
Households	117	40	512	-	-100.0%	0.1%	-	-	-	-	-		
Payments for capital assets	365	443	546	1 264	51.3%	0.6%	736	1 025	1 483	5.5%	1.0%		
Machinery and equipment	365	443	546	1 264	51.3%	0.6%	736	1 025	1 483	5.5%	1.0%		
Total	131 358	122 025	93 262	105 053	-7.2%	100.0%	110 581	116 677	124 236	5.7%	100.0%		
Proportion of total programme expenditure to vote expenditure	0.6%	0.4%	0.3%	0.3%			0.3%	0.3%	0.3%				

Details of transfers and subsidies

Departmental agencies and accounts	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17			
Departmental agencies (non-business entities)											
Current	51 731	46 829	20 384	21 747	-25.1%	31.1%	23 167	24 348	25 638	5.6%	20.8%
Claims against the state	-	6	32	-	-	-	-	-	-	-	-
National Skills Fund	51 731	19 934	-	-	-100.0%	15.9%	-	-	-	-	-
Quality Council for Trades and Occupations	-	26 889	20 352	21 747	-	15.3%	23 167	24 348	25 638	5.6%	20.8%
Households											
Social benefits											
Current	117	40	512	-	-100.0%	0.1%	-	-	-	-	-
Employee social benefits	117	40	512	-	-100.0%	0.1%	-	-	-	-	-

Personnel information

Table 17.15 Details of approved establishment and personnel numbers according to salary level¹

Skills Development	Number of posts estimated for 31 March 2014	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	253	8	242	61.3	0.3	257	67.9	0.3	270	73.2	0.3	270	77.7	0.3	270	83.1	0.3	1.7%	100.0%
1 - 6	142	8	149	13.2	0.1	150	14.4	0.1	150	15.1	0.1	150	15.8	0.1	150	16.6	0.1	-	56.2%
7 - 10	85	-	75	18.2	0.2	84	21.3	0.3	94	24.9	0.3	94	26.2	0.3	94	27.6	0.3	3.8%	34.3%
11 - 12	19	-	11	6.1	0.6	15	8.6	0.6	19	11.3	0.6	19	11.9	0.6	19	12.5	0.7	8.2%	6.7%
13 - 16	7	-	7	5.6	0.8	8	7.0	0.9	7	6.6	0.9	7	6.9	1.0	7	7.3	1.0	-4.4%	2.7%
Other	-	-	-	18.2	-	-	16.6	-	-	15.3	-	-	16.8	-	-	19.1	-	-	-

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

2. Rand million.

Expenditure trends

Excluding the *SETA Coordination* subprogramme, which is discussed in more detail below, the bulk of this programme's expenditure over the medium term is on the transfer to the Quality Council for Trades and Occupations to provide for the entity's operational costs. The entity was established on 1 April 2010 which resulted in the increase in spending between 2010/11 and 2011/12 in the *Quality Development and Promotion* subprogramme, which makes the transfer, provided for the costs incurred to build the entity up to operational capacity.

Between 2010/11 and 2012/13, expenditure decreased mainly because of 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 have been reprioritised to allow the department to fill critical vacant posts, mainly in the *Administration* programme.

The fluctuation in the transfer to the Quality Council for Trades and Occupations between 2010/11 and 2013/14 is because the 2010/11 allocation for the council was carried over to 2011/12, due to a delay in establishing the council in 2010/11 as initially planned. The council's allocation increases by inflation thereafter.

The number of personnel in this programme is expected to increase from 242 posts in 2012/13 to 270 posts in 2016/17, including a provision for 8 interns. This increase is mainly due to the filling of critical vacant positions that resulted from the establishment of the department in 2010. Over the medium term, the growth in expenditure on compensation of employees is mainly to fund the growth in personnel numbers. There were 6 vacant funded posts as at 30 November 2013, mainly as a result of attrition and a failure to attract specialised candidates. These vacancies are in the process of being filled.

Subprogramme: SETA Coordination

This subprogramme 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 and conducting trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments. In 2013/14, 5 709 tests were conducted at a cost of R38 million. In August 2012, the first ever fully comprehensive definition and list of artisan trade occupations was published. The national artisan moderation body started to take over the accreditation, workplace approval and certificate management process from the sector education and training authorities for all artisan trades in October 2013. The moderation body also issued the first ever set of draft national trade testing regulations that, once implemented in 2014/15, will ensure a single national standardised trade testing system across all public and private accredited trade test centres. This subprogramme had a staff complement of 235 in 2013/14.

Expenditure estimates

Table 17.16 SETA Coordination

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
Current payments	67 962	64 941	64 024	72 192	2.0%	98.9%	74 556	78 502	83 428	4.9%	42.5%
Compensation of employees	58 454	55 988	55 656	62 056	2.0%	85.3%	63 681	67 533	72 279	5.2%	36.5%
Goods and services	9 508	8 953	8 368	10 136	2.2%	13.6%	10 875	10 969	11 149	3.2%	5.9%
of which:											
Advertising	45	29	3	50	3.6%	-	95	105	115	32.0%	0.1%
Assets less than the capitalisation threshold	36	81	17	670	165.0%	0.3%	2 322	2 338	2 336	51.6%	1.1%
Audit costs: External	-	-	-	-	-	-	12	12	12	-	-
Catering: Departmental activities	159	100	142	73	-22.9%	0.2%	365	370	374	72.4%	0.2%
Communication	443	1 018	962	1 102	35.5%	1.3%	853	870	881	-7.2%	0.5%
Computer services	306	17	19	-	-100.0%	0.1%	-	-	-	-	-
Consultants and professional services: Business and advisory services	5	718	2	-	-100.0%	0.3%	-	-	-	-	-
Contractors	210	61	8	181	-4.8%	0.2%	200	200	200	3.4%	0.1%
Agency and support / outsourced services	53	726	-	-	-100.0%	0.3%	250	250	250	-	0.1%
Fleet services (including government motor transport)	-	-	-	175	-	0.1%	-	-	-	-100.0%	-

Table 17.16 SETA Coordination

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14	Average (%)	2014/15	2015/16	2016/17		
R thousand												
Inventory: Food and food supplies	1 209	643	463	600	-20.8%	1.1%	650	-	-	-100.0%	0.2%	
Inventory: Fuel, oil and gas	83	25	57	90	2.7%	0.1%	100	-	-	-100.0%	-	
Inventory: Learner and teacher support material	1	-	-	-	-100.0%	-	-	-	-	-	-	
Inventory: Materials and supplies	3 356	1 639	2 315	806	-37.8%	3.0%	1 000	-	-	-100.0%	0.2%	
Inventory: Medical supplies	-	-	-	12	-	-	2	-	-	-100.0%	-	
Inventory: Other supplies	503	-	-	400	-7.4%	0.3%	300	-	-	-100.0%	0.1%	
Consumable supplies	-	301	358	-	-	0.2%	-	-	-	-	-	
Consumable: Stationery, printing and office supplies	637	1 073	496	2 886	65.5%	1.9%	2 320	4 370	4 388	15.0%	1.9%	
Operating leases	401	376	415	888	30.3%	0.8%	747	742	752	-5.4%	0.4%	
Property payments	524	126	911	524	-	0.8%	300	300	300	-17.0%	0.2%	
Travel and subsistence	1 315	1 820	2 090	1 364	1.2%	2.4%	1 294	1 347	1 476	2.7%	0.8%	
Training and development	10	5	6	-	-100.0%	-	-	-	-	-	-	
Operating payments	94	84	102	168	21.4%	0.2%	15	15	15	-55.3%	-	
Venues and facilities	118	111	2	147	7.6%	0.1%	50	50	50	-30.2%	-	
Transfers and subsidies	103	40	544	-	-100.0%	0.3%	-	-	-	-	-	
Departmental agencies and accounts	-	-	32	-	-	-	-	-	-	-	-	
Households	103	40	512	-	-100.0%	0.2%	-	-	-	-	-	
Payments for capital assets	247	382	429	1 153	67.1%	0.8%	669	959	1 422	7.2%	0.6%	
Machinery and equipment	247	382	429	1 153	67.1%	0.8%	669	959	1 422	7.2%	0.6%	
Total	68 312	65 363	64 997	73 345	2.4%	100.0%	75 225	79 461	84 850	5.0%	43.1%	
Proportion of total subprogramme expenditure to programme expenditure	52.0%	53.6%	69.7%	69.8%			68.0%	68.1%	68.3%			

Personnel table

Table 17.17 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
SETA Coordination																			
Salary level	260	10	210	55.7	0.3	235	60.8	0.3	244	63.7	0.3	258	67.5	0.3	266	72.3	0.3	4.2%	100.0%
1 - 6	149	10	130	11.9	0.1	142	13.7	0.1	149	15.0	0.1	154	16.0	0.1	159	17.3	0.1	3.8%	60.2%
7 - 10	88	-	68	16.4	0.2	77	19.8	0.3	78	21.2	0.3	85	24.0	0.3	88	26.2	0.3	4.6%	32.7%
11 - 12	17	-	9	4.9	0.5	11	6.3	0.6	12	7.2	0.6	13	8.2	0.6	13	8.6	0.7	5.7%	4.9%
13 - 16	6	-	3	0.8	0.3	5	1.6	0.3	5	1.7	0.3	6	2.6	0.4	6	2.7	0.5	6.3%	2.2%
Other	-	-	-	21.7	-	-	19.5	-	-	18.7	-	-	16.7	-	-	17.3	-	-	-

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on supporting the implementation of the national skills development strategy at the sectoral level by establishing and managing the performance of service level agreements with the sector education and training authorities, and conducting trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments. The increase in expenditure over the MTEF period, mainly on assets less than the capitalisation threshold for goods required to conduct these tests, will allow for an increase in the number of trade tests conducted at the institute, thereby allowing for the number of artisans found competent in trade tests to increase to 15 000 by 2016/17.

The number of personnel in this subprogramme is expected to increase from 235 in 2013/14 to 266 in 2016/17, including a provision for 10 interns. This increase is due to additional funding for the department to establish full functionality. Over the medium term, the growth in expenditure on compensation of employees is mainly to fund the growth in personnel numbers as the national artisan moderation body becomes fully operational.

Public entities and other agencies

National Skills Fund

Mandate and goals

The National Skills Fund was established in 1999 in terms of the Skills Development Act (1998). The fund focuses on national priority projects identified in the national skills development strategy and projects related to the achievement of the purpose of the act, as determined by the director general of the Department of Higher Education and Training.

The fund's strategic goals over the medium term are to:

- support South Africa's human resource development strategy by funding programmes that advance this strategy formulated by the Human Resource Development Council
- promote growth of a public further education and training college system that is responsive to sector, local, regional and national skills needs and priorities
- support the implementation of the third national skills development strategy, and by extension the new growth path and the industrial policy action plan, by directing funding towards programmes that promote the objectives of these strategies
- increase opportunities for the provision of skills development by providing financial support for the development of a skills development infrastructure.

Selected performance indicators

Table 17.18 National Skills Fund

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage of grants disbursed versus grant income received	Grant disbursement	Outcome 5: A skilled and capable workforce to support an inclusive growth path	33%	65%	100%	100%	90%	90%	90%
Number of learners funded for training each year	Grant disbursement		- ¹	37 793	95 554	70 000	70 000	70 000	70 000

1. This indicator is new, relating to the third national skills development strategy; hence they have no actual outcomes for 2010/11.

Programmes/activities/objectives

Table 17.19 National Skills Fund

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand					2010/11 - 2013/14					2013/14 - 2016/17	
Administration	68 811	82 674	84 793	207 631	44.5%	5.8%	217 519	227 348	238 341	4.7%	5.0%
Grant disbursement	564 373	1 304 949	2 579 535	6 711 347	128.3%	94.2%	4 380 803	4 259 273	2 991 912	-23.6%	95.0%
Total expense	633 184	1 387 623	2 664 328	6 918 978	121.9%	100.0%	4 598 322	4 486 621	3 230 253	-22.4%	100.0%

Expenditure estimates

Table 17.20 National Skills Fund

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	379 488	409 601	389 519	398 982	1.7%	15.8%	419 540	439 770	282 749	-10.8%	11.2%
Other non-tax revenue	379 488	409 601	389 519	398 982	1.7%	15.8%	419 540	439 770	282 749	-10.8%	11.2%
Transfers received	1 736 256	2 041 491	2 309 393	2 459 408	12.3%	84.2%	3 247 890	3 385 723	3 227 223	9.5%	88.8%
Total revenue	2 115 744	2 451 092	2 698 912	2 858 390	10.5%	100.0%	3 667 430	3 825 493	3 509 972	7.1%	100.0%
Expenses											
Current expenses	19 722	34 335	36 162	116 023	80.5%	2.2%	110 487	116 627	108 881	-2.1%	2.5%
Compensation of employees	12 892	14 051	17 732	50 494	57.6%	1.1%	53 170	55 776	58 341	4.9%	1.2%
Goods and services	6 830	20 284	18 430	65 529	112.5%	1.0%	57 317	60 851	50 540	-8.3%	1.3%
Transfers and subsidies	613 462	1 353 288	2 628 166	6 802 955	123.0%	97.8%	4 487 835	4 369 994	3 121 372	-22.9%	97.5%
Total expenses	633 184	1 387 623	2 664 328	6 918 978	121.9%	100.0%	4 598 322	4 486 621	3 230 253	-22.4%	100.0%
Surplus/(Deficit)	1 482 560	1 063 469	34 584	(4 060 588)	-239.9%		(930 892)	(661 128)	279 719	-141.0%	

Personnel information

Table 17.21 National Skills Fund

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	138	138	58	17.7	0.3	59	50.5	0.9	137	53.2	0.4	137	55.8	0.4	137	58.3	0.4	4.9%	100.0%
1 – 6	3	3	9	1.1	0.1	8	1.8	0.2	2	0.3	0.1	2	0.3	0.2	2	0.3	0.2	-44.5%	4.5%
7 – 10	57	57	20	4.3	0.2	19	6.4	0.3	57	12.6	0.2	57	13.2	0.2	57	13.8	0.2	29.4%	39.3%
11 – 12	53	53	8	4.5	0.6	8	17.7	2.2	53	20.7	0.4	53	21.7	0.4	53	22.7	0.4	8.6%	32.4%
13 – 16	25	25	21	7.9	0.4	24	24.6	1.0	25	19.6	0.8	25	20.5	0.8	25	21.5	0.9	-4.4%	23.9%

1. Rand million.

Expenditure trends

Revenue for the National Skills Fund is mainly derived from the skills development levy collected by the South African Revenue Service and transferred to the fund as direct charges against revenue.

The fund has increased its disbursements since the implementation of the third national skills development strategy in 2011/12. These disbursements are reflected under the grant disbursement programme as transfers and subsidies. The fund disbursed R2.6 billion in 2012/13, including R1.2 billion for bursaries at further education and training colleges, R265 million for projects related to the new growth path and R43 million for projects linked to the industrial policy action plan. The fund plans to continue with the use of its reserves to fund priority areas, and it is therefore expected that these reserves will decline over the medium term. As a result, the fund expects to make disbursements in excess of R6.7 billion in 2013/14 to continue funding the projects outlined above, to fund infrastructure projects that will develop 12 new further education and training college campuses, and to provide bursaries for study in scarce skills areas at universities. While disbursements will continue to be made for multi-year commitments such as bursaries, overall grant disbursements for projects are expected to decrease from R6.7 billion in 2013/14 to R3 billion in 2016/17, since the third national skills development strategy is expected to come to an end in 2015/16.

Between 2010/11 and 2013/14, the increased spending on compensation of employees was mainly due to new appointments made with the establishment of provincial offices in 2012 to broaden the fund's presence across South Africa, as well as to provide the required capacity for the fund to become a fully independent public entity. This also accounts for the related increases in goods and services. There were 59 filled posts at the fund at the end of November 2013. The fund's staff establishment is expected to increase to 137 employees over the

medium term so that the requisite support structures to establish the fund as a schedule 3A public entity can be put in place, and the additional capacity required to monitor and evaluate the increased number of projects being funded can be established. This increase in personnel also accounts for the increased expenditure on compensation of employees over the medium term.

National Student Financial Aid Scheme

Mandate and goals

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.

The organisation's strategic goals over the medium term are to:

- provide funding to eligible students
- maximise recoveries and increase the funds available for loans and bursaries
- implement the approved centralised financial aid systems and the new student centred operating model.

Selected performance indicators

Table 17.22 National Student Financial Aid Scheme

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of students assisted in higher education per year	Student centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	148 387	216 874	194 504	204 229	214 440	225 162	236 420
Funds recovered from previous loan recipients per year (R thousand)	Administration		542 097	538 779	539 507	600 000	467 000	514 000	565 000
Total number of further education and training bursary recipients	Student centred financial aid		61 703	114 968	188 182	197 591	262 287	278 024	291 925

Programmes/activities/objectives

Table 17.23 National Student Financial Aid Scheme

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Administration	32 302	36 764	89 217	153 187	68.0%	1.3%	100 566	126 396	158 021	1.0%	1.9%
Student centered financial aid	3 063 445	4 767 881	6 643 205	6 608 396	29.2%	98.7%	6 955 158	7 292 893	7 656 435	5.0%	98.1%
Total expense	3 095 747	4 804 645	6 732 422	6 761 583	29.7%	100.0%	7 055 724	7 419 289	7 814 456	4.9%	100.0%

Expenditure estimates

Table 17.24 National Student Financial Aid Scheme

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Revenue											
Non-tax revenue	575 220	355 081	768 248	–	-100.0%	8.1%	27 634	28 000	35 657	–	0.2%
Sale of goods and services other than capital assets	–	2 537	17 324	–	–	0.1%	27 634	28 000	35 657	–	0.2%
of which:											
Administrative fees	–	2 537	17 324	–	–	0.1%	27 634	28 000	35 657	–	0.2%
Other non-tax revenue	575 220	352 544	750 924	–	-100.0%	8.0%	–	–	–	–	–
Transfers received	2 857 493	5 359 560	7 337 226	8 024 326	41.1%	91.9%	13 435 103	14 113 122	14 871 857	22.8%	99.8%
Total revenue	3 432 713	5 714 641	8 105 474	8 024 326	32.7%	100.0%	13 462 737	14 141 122	14 907 514	22.9%	100.0%

Table 17.24 National Student Financial Aid Scheme

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16			2016/17
	2013/14 - 2016/17		2013/14 - 2016/17									
R thousand												
Expenses												
Current expenses	1 249 787	1 181 658	1 805 884	188 647	-46.8%	23.6%	143 837	176 878	212 775	4.1%	2.5%	
Compensation of employees	23 837	28 730	38 917	65 993	40.4%	0.7%	84 620	103 019	109 247	18.3%	1.2%	
Goods and services	1 224 676	1 146 952	1 751 362	116 774	-54.3%	22.8%	52 082	69 803	99 199	-5.3%	1.2%	
Depreciation	1 274	5 976	15 605	5 880	66.5%	0.1%	7 135	4 056	4 329	-9.7%	0.1%	
Transfers and subsidies	1 845 960	3 622 988	4 926 538	6 572 936	52.7%	76.4%	6 911 887	7 242 411	7 601 681	5.0%	97.5%	
Total expenses	3 095 747	4 804 646	6 732 422	6 761 583	29.7%	100.0%	7 055 724	7 419 289	7 814 456	4.9%	100.0%	
Surplus/(Deficit)	336 966	909 995	1 373 052	1 262 743	55.3%		6 407 013	6 721 833	7 093 058	77.8%		

Personnel information

Table 17.25 National Student Financial Aid Scheme

Number of funded posts	Number of posts on approved establishment	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		2013/14 - 2016/17	
		Number	Cost		Number	Cost		Number	Cost		Number	Cost				Number	Cost		
Salary level	186	186	160	38.9	0.2	186	66.0	0.4	301	84.6	0.3	318	103.0	0.3	318	109.2	0.3	18.3%	100.0%
1 - 6	24	24	50	5.8	0.1	24	1.8	0.1	43	4.0	0.1	43	4.2	0.1	43	4.5	0.1	34.6%	13.6%
7 - 10	114	114	74	15.1	0.2	115	17.4	0.2	213	42.2	0.2	216	45.1	0.2	216	47.8	0.2	40.2%	67.1%
11 - 12	41	41	29	11.4	0.4	41	31.5	0.8	37	28.2	0.8	47	36.1	0.8	47	38.3	0.8	6.7%	16.0%
13 - 16	7	7	7	6.6	0.9	6	15.3	2.5	8	10.2	1.3	12	17.6	1.5	12	18.7	1.6	7.0%	3.4%

1. Rand million.

Expenditure trends

The National Student Financial Aid 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, from the Department of Social Development for bursaries for prospective social workers, and from the National Skills Fund and selected sector and education training authorities. Over the medium term, the projected rise in revenue will increase the number of students in universities that the scheme is able to assist, from 194 504 in 2012/13 to a projected figure of 236 420 in 2016/17, and will increase the number of further education and training college bursary recipients each year from 188 182 in 2012/13 to 291 925 in 2016/17.

The spending focus over the medium term will continue to be on the provision of loans and bursaries to disadvantaged students at higher education institutions and further education and training colleges, which is reflected under transfers and subsidies. The establishment of the central applications process in 2013/14 requires once-off expenditure on the development and testing of an integrated system to accommodate the central application and administration of loans and bursaries, which accounts for the higher goods and services expenditure in 2013/14. This system will be piloted in 2014/15 and implemented across all universities over the medium term. The high goods and services expenditure in prior years is due to the inclusion of a portion of loans provided as goods and services, as prescribed by the auditor-general at the time. This approach has been revised and all loans and bursaries are now reflected under transfers and subsidies.

Expenditure on compensation of employees is expected to increase at an average annual rate of 18.3 per cent over the medium term as new posts are filled in the two outer years to phase in the new student centred operating model. The entity will increase both the number of operational staff and also the number and level of senior management to meet the increasing volume of loans and bursaries being granted annually, and therefore the resulting cumulative increase in total loans and bursaries (both by value and number) under the scheme's administration. This will see staff numbers increase from 150 in 2012/13 to 318 by 2016/17. Consultants are

mainly used to cover senior finance and IT positions when these become vacant and only until the positions are filled.

Sector education and training authorities

Mandate and goals

The mandate for the sector education and training authorities is derived from the Skills Development Act (1998). This includes the implementation of national, sector and workplace strategies to develop and improve the skills of the South African workforce; integrate those strategies within the national qualifications framework contemplated in the South African Qualifications Authority Act (2008); provide the learnerships that lead to recognised occupational qualifications; and fund skills development.

The strategic goals flow from the third national skills development strategy and include:

- establishing a credible institutional mechanism for skills planning
- increasing access to occupationally directed programmes
- promoting the growth of a public further education and training college system that is responsive to sector, local, regional and national skills needs and priorities
- addressing the low level of youth and adult language and numeracy skills to enable additional training
- encouraging better use of workplace based skills development
- encouraging and supporting cooperatives, small enterprises, worker initiated programmes, non-governmental organisations and community training initiatives
- increasing public sector capacity for improved service delivery, and supporting the building of a developmental state.

Expenditure estimates

Table 17.26 Sector education and training authorities

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17		
R thousand											
Revenue											
Non-tax revenue	454 433	544 253	576 471	545 854	6.3%	5.9%	598 803	555 206	569 337	1.4%	4.7%
Sale of goods and services other than capital assets	167	558	1 673	189	4.2%	0.0%	–	–	–	-100.0%	0.0%
<i>of which:</i>											
<i>Administrative fees</i>	–	–	189	189	–	0.0%	–	–	–	-100.0%	0.0%
<i>Sales by market establishment</i>	167	558	1 484	–	-100.0%	0.0%	–	–	–	–	–
Other non-tax revenue	454 266	543 695	574 798	545 665	6.3%	5.8%	598 803	555 206	569 337	1.4%	4.7%
Transfers received	6 572 793	8 248 444	9 329 835	10 538 528	17.0%	94.1%	10 988 480	11 996 148	13 142 659	7.6%	95.7%
Total revenue	7 027 226	8 792 697	9 906 306	11 084 382	16.4%	100.0%	11 470 502	12 487 029	13 697 350	7.3%	100.0%
Expenses											
Current expenses	898 982	1 025 947	1 231 378	1 490 013	18.3%	14.3%	1 528 765	1 603 028	1 635 833	3.2%	18.0%
Compensation of employees	483 801	546 548	629 339	744 488	15.5%	7.4%	764 280	801 415	817 822	3.2%	9.0%
Goods and services	373 539	431 979	551 285	695 565	23.0%	6.3%	711 444	744 237	766 080	3.3%	8.4%
Depreciation	40 881	47 162	50 490	48 923	6.2%	0.6%	52 837	57 178	51 742	1.9%	0.6%
Interest, dividends and rent on land	761	258	265	1 037	10.9%	0.0%	204	197	189	-43.4%	0.0%
Transfers and subsidies	5 793 230	6 315 681	8 212 750	7 494 465	9.0%	85.7%	5 669 099	6 539 740	9 524 450	8.3%	82.0%
Total expenses	6 692 212	7 341 628	9 444 128	8 984 477	10.3%	100.0%	7 197 864	8 142 767	11 160 283	7.5%	100.0%
Surplus/(Deficit)	335 014	1 451 069	462 178	2 099 905	84.4%		4 272 638	4 344 261	2 537 067	6.5%	

Expenditure trends

The sector education and training authorities receive revenue from the skills development levy, which is collected by the South African Revenue Service and transferred to these entities as a direct charge. Other revenue is mainly from interest earned on investments.

The sector education and training authority grant regulations, which came into effect on 1 April 2013, prescribe that these authorities are allowed to spend 10.5 per cent of skills levy income on administration, 20 per cent on mandatory grants, and 49.5 per cent on discretionary grants.

Total expenditure reflects an increase over the medium term period as grant disbursements in support of the third national skills development strategy increase. The authorities' disbursements will focus on artisan apprenticeships, learnerships, internships and bursaries, as well as partnerships with further education and training colleges, universities, universities of technology, and the labour market to facilitate work integrated learning and graduate placements.

The increased expenditure on compensation of employees between 2010/11 and 2013/14 is mainly due to the establishment of offices in rural areas and at further education and training colleges as sector education and training authorities seek to improve access to their programmes. This expansion also accounts for the increased expenditure on goods and services in items like computer services and operating leases. Expenditure on these items grows more modestly over the medium term as the various sector authorities become more settled after the previous growth period.

A surplus of R2.1 billion is reflected for 2013/14 and is expected to increase to R2.5 billion by 2016/17.

Council on Higher Education

Mandate and goals

The Council on Higher Education is the quality assurance council for higher education and was established in terms of the Higher Education Act (1997) and the National Qualifications Act (2008).

The council's strategic goals over the medium term are to:

- promote quality and quality assurance in higher education through the Higher Education Quality Committee, including auditing the quality assurance mechanisms of higher education institutions, and accrediting the programmes that they offer
- develop and manage the higher education qualifications sub-framework, including the development of qualifications for the higher education sector and the setting of qualifications standards
- develop and implement policy and criteria for the development, registration, publication and assessment of qualifications; and the recognition of prior learning and credit accumulation and transfer in line with the policy and criteria set by the South African Qualifications Authority.

Selected performance indicators

Table 17.27 Council on Higher Education

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of pilots for development of standards per year	Standards development	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	10	10	12	12	12	10
Number of institutional audits conducted per year	Institutional audits		2	1	3	4	6	0 ²	0 ²

1. This is a new indicator, reflecting the council's expanded mandate. Hence, there are no outputs before 2011/12.

2. No institutional audits are planned for 2015/16 and 2016/17 because there will be a focus on improvement plans based on the recommendations of the previous audits.

Programmes/activities/objectives

Table 17.28 Council on Higher Education

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand					2010/11 - 2013/14					2013/14 - 2016/17	
Administration	16 938	15 791	18 884	19 491	4.8%	45.3%	17 980	18 465	19 488	-0.0%	38.9%
Accreditation	5 688	7 755	9 419	9 420	18.3%	20.4%	10 399	9 944	9 720	1.1%	20.3%
Monitoring and evaluation	4 225	2 615	3 481	4 401	1.4%	9.3%	4 698	4 952	5 214	5.8%	9.9%
Institutional audits	5 605	3 227	2 763	4 559	-6.7%	10.4%	5 062	5 235	4 933	2.7%	10.2%
National reviews	592	670	1 844	2 332	57.9%	3.3%	3 421	3 597	3 517	14.7%	6.6%
Quality assurance	3 166	3 739	3 159	4 055	8.6%	9.0%	4 612	5 089	4 673	4.8%	9.5%
Standard development	56	961	1 109	1 597	205.5%	2.3%	1 944	2 748	2 894	21.9%	4.7%
Total expense	36 270	34 758	40 659	45 855	8.1%	100.0%	48 116	50 030	50 439	3.2%	100.0%

Expenditure estimates

Table 17.29 Council on Higher Education

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	2 901	3 238	4 355	3 525	6.7%	8.1%	2 150	3 762	4 617	9.4%	7.2%
Sale of goods and services other than capital assets	2 079	2 507	3 474	3 000	13.0%	6.3%	1 900	3 500	4 350	13.2%	6.5%
of which:											
Sales by market establishment	2 079	2 507	3 474	3 000	13.0%	6.3%	1 900	3 500	4 350	13.2%	6.5%
Other non-tax revenue	822	731	881	525	-13.9%	1.7%	250	262	267	-20.2%	0.7%
Transfers received	36 141	37 762	41 102	44 066	6.8%	91.9%	44 866	46 268	45 822	1.3%	92.8%
Total revenue	39 042	41 000	45 457	47 591	6.8%	100.0%	47 016	50 030	50 439	2.0%	100.0%
Expenses											
Current expenses	36 270	34 758	40 659	45 855	8.1%	100.0%	48 116	50 030	50 439	3.2%	100.0%
Compensation of employees	16 098	16 975	19 097	21 892	10.8%	47.0%	25 748	28 466	29 892	10.9%	54.4%
Goods and services	18 421	16 112	19 639	21 952	6.0%	48.3%	20 492	19 365	18 225	-6.0%	41.3%
Depreciation	1 700	1 623	1 642	1 733	0.6%	4.3%	1 828	1 927	2 029	5.4%	3.9%
Interest, dividends and rent on land	51	48	281	278	76.0%	0.4%	48	272	293	1.8%	0.5%
Total expenses	36 270	34 758	40 659	45 855	8.1%	100.0%	48 116	50 030	50 439	3.2%	100.0%
Surplus/(Deficit)	2 772	6 242	4 798	1 736	-14.4%		(1 100)	-	-	-100.0%	

Personnel information

Table 17.30 Council on Higher Education

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary Level /total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	53	53	42	19.1	0.5	46	21.9	0.5	57	25.7	0.5	60	28.5	0.5	60	29.9	0.5	10.9%	100.0%	
1 – 6	7	7	7	0.7	0.1	7	0.7	0.1	7	0.8	0.1	7	0.8	0.1	7	0.9	0.1	5.2%	12.7%	
7 – 10	23	23	17	5.0	0.3	20	6.3	0.3	21	7.1	0.3	23	8.1	0.4	23	8.5	0.4	10.6%	39.2%	
11 – 12	14	14	10	5.9	0.6	11	7.0	0.6	13	8.7	0.7	14	10.0	0.7	14	10.5	0.7	14.4%	23.3%	
13 – 16	9	9	8	7.5	0.9	8	7.8	1.0	16	9.2	0.6	16	9.6	0.6	16	10.0	0.6	8.5%	24.7%	

1. Rand million.

Expenditure trends

The Council on Higher Education's primary source of revenue is transfers from the department. Additional revenue is received for providing accreditation to private higher education institutions, from interest on investments, and from venue hire. The spending focus over the medium term will be on auditing the quality assurance mechanisms of higher education institutions, and accrediting the programmes that they offer along with managing the qualifications sub-framework for higher education.

The council's expenditure is projected to grow marginally over the medium term, mainly due to increases in spending on compensation of employees as the 7 currently vacant posts are filled. The council has had difficulty in filling some of these vacancies in the past mainly due to difficulties in recruiting appropriately qualified senior staff. Growth in total expenditure will allow the council to continue to provide advice to the Minister of Higher Education and Training on matters relating to higher education, conduct and publish research related to the higher education sector, and conduct 6 institutional audits over the medium term. The council uses consultants mainly to conduct focused research on specialist topics where required.

The council continually reviews administrative policies, procedures and contracts with service providers to ensure cost savings and efficiencies. The council recovers all costs incurred during visits to different institutions from the institutions themselves. The council will save R680 000 over the MTEF period through these efficiency measures.

Quality Council for Trades and Occupations

Mandate and goals

The Quality Council for Trades and Occupations was established through the Skills Development Act (2008), and became operational on 1 April 2010. The mandate of the council, derived from the Skills Development Act (1998) and the National Qualifications Framework Act (2008), is to oversee the development and maintenance of the occupational qualifications sub-framework in the national qualifications framework, and advise the Minister of Higher Education and Training on all matters of policy concerning occupational standards and qualifications.

The council's strategic goals over the medium term are to:

- establish and maintain occupational standards and qualifications
- quality assure occupational standards and qualifications and learning in and for the workplace
- design and develop occupational standards and qualifications and submit them to the South African Qualifications Authority for registration in the national qualifications framework
- ensure the quality of occupational standards and qualifications and learning in and for the workplace.

Selected performance indicators

Table 17.31 Quality Council for Trades and Occupations

Indicator	Programme/Activity/Objective	Outcome	Past ¹			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of prioritised occupational qualifications recommended to the South African Qualifications Authority for registration on the occupational qualifications sub-framework each year	Occupational qualification management	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	- ¹	- ¹	70	60	60	60
Percentage of quality assurance partners monitored for compliance with requisite standards each year	Occupational qualification management		- ¹	- ¹	- ¹	- ²	100%	100%	100%
Percentage of quality assurance partners that comply with requisite standards each year	Occupational qualification management		- ¹	- ¹	- ¹	- ²	100%	100%	100%
Number of research reports produced per year	Occupational qualification management		- ¹	- ¹	- ¹	- ²	4	4	4

1. Historical information not available as the council is a newly established entity.

2. New indicator.

Programmes/activities/objectives

Table 17.32 Quality Council for Trades and Occupations

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	3 248	10 724	15 836	17 428	75.1%	85.3%	12 595	12 971	14 131	-6.8%	26.3%
Occupational qualification management	-	-	-	12 874	-	7.6%	9 800	10 478	10 621	-6.2%	20.1%
Occupational quality assurance	-	-	-	12 028	-	7.1%	26 000	41 000	54 150	65.1%	53.6%
Total expense	3 248	10 724	15 836	42 330	135.3%	100.0%	48 395	64 449	78 902	23.1%	100.0%

Expenditure estimates

Table 17.33 Quality Council for Trades and Occupations

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	-	-	-	12 880	-	6.3%	-	-	-	-100.0%	6.3%
Other non-tax revenue	-	-	-	12 880	-	6.3%	-	-	-	-100.0%	6.3%
Transfers received	10 132	18 510	21 189	38 114	55.5%	93.7%	51 667	69 348	85 638	31.0%	93.7%
Total revenue	10 132	18 510	21 189	50 994	71.4%	100.0%	51 667	69 348	85 638	18.9%	100.0%
Expenses											
Current expenses	3 248	10 724	15 836	42 330	135.3%	100.0%	48 395	64 449	78 902	23.1%	100.0%
Compensation of employees	-	5 279	9 184	27 181	-	42.9%	32 695	42 305	48 819	21.6%	64.8%
Goods and services	3 248	5 436	6 527	15 149	67.1%	56.9%	15 700	22 144	30 083	25.7%	35.2%
Depreciation	-	9	124	-	-	0.2%	-	-	-	-	-
Total expenses	3 248	10 724	15 836	42 330	135.3%	100.0%	48 395	64 449	78 902	23.1%	100.0%
Surplus/(Deficit)	6 884	7 786	5 353	8 664	8.0%		3 272	4 899	6 736	-8.0%	

Personnel information

Table 17.34 Quality Council for Trades and Occupations

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	32	16	16	9.2	0.6	38	27.2	0.7	46	32.7	0.7	60	42.3	0.7	64	48.8	0.8	21.6%	100.0%
1 - 6	-	-	-	-	-	2	0.1	0.0	2	0.1	0.0	2	0.1	0.1	6	0.8	0.1	109.9%	5.6%
7 - 10	12	12	12	7.0	0.6	20	14.2	0.7	27	14.2	0.5	32	14.4	0.4	32	14.4	0.4	0.5%	53.7%
11 - 12	16	-	-	-	-	11	9.9	0.9	12	15.4	1.3	21	24.8	1.2	21	30.6	1.5	45.7%	30.7%
13 - 16	4	4	4	2.1	0.5	5	3.0	0.6	5	3.0	0.6	5	3.0	0.6	5	3.0	0.6	0.1%	10.0%

1. Rand million.

Expenditure trends

As a newly established entity, the spending focus of the Quality Council for Trades and Occupations over the medium term will be on attaining full functionality for the council by appointing staff, and developing and implementing policy, systems and procedures relating to occupational standards and qualifications to give effect to the mandate of the council.

The council's main source of revenue is from transfers from the department. In addition, new sector education and training authority grant regulations were promulgated in 2013/14, which will see the sector education and training authorities transferring funds to the council for the forthcoming financial years to carry out its quality assurance function.

The growth in expenditure over the medium term will allow the council to attain full functionality through the appointment of staff to develop a quality assurance system, accredit training providers and assessment centres, develop a certification system, and certify occupational qualifications. The initial organogram has 32 funded posts and 16 posts additional to the establishment. As at 30 November 2013, 20 posts had been filled and 18 of the 26 vacant posts were to be filled by the end of 2013/14 and the balance over the MTEF period, which accounts for the increased compensation of employees and related goods and services items as the council becomes fully operational over this period. Consultants assist the council where key personnel have not yet been appointed and will therefore be used far less in the period ahead as posts are filled.

South African Qualifications Authority

Mandate and goals

The mandate of the South African Qualifications Authority, established in terms of the South African Qualifications Authority Act (2008), is to ensure access, quality and redress for all learners through an integrated national framework of learning achievements.

The organisation's strategic goals over the medium term are to:

- advance the objectives of the national qualifications framework
- oversee the further development and implementation of the framework
- coordinate the 3 sub-frameworks of the framework.

Selected performance indicators

Table 17.35 South African Qualifications Authority

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of people assisted through the career advice service per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	8 000	87 000	40 000	20 000	- ¹	- ¹	- ¹
Number of professional bodies recognised on the National Qualification Framework each year	Recognition and registration of qualifications and part qualifications		- ²	- ²	75	30	25	20	20
Number of verifications of qualifications completed per year	National learners records database		60 000	100 000	112 500	100 000	100 000	100 000	100 000

1. Funding from the National Skills Fund comes to an end in 2013/14.

2. No historical data, as project only began in 2012/13.

Programmes/activities/objectives

Table 17.36 South African Qualifications Authority

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
Administration	47 592	62 260	78 930	83 944	20.8%	68.3%	42 231	43 673	46 368	-18.0%	54.9%
Recognition and registration of qualifications and part qualifications	7 275	8 239	8 493	8 609	5.8%	8.4%	9 165	9 699	10 283	6.1%	10.1%
National learners records database	6 965	8 217	7 816	11 403	17.9%	8.7%	15 506	16 408	17 342	15.0%	16.3%
Foreign qualifications evaluation and advisory services	11 904	12 781	15 814	16 731	12.0%	14.6%	17 059	17 730	18 827	4.0%	18.7%
Total expense	73 736	91 497	111 053	120 687	17.8%	100.0%	83 961	87 510	92 820	-8.4%	100.0%

Expenditure estimates

Table 17.37 South African Qualifications Authority

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	23 108	27 056	27 760	35 786	15.7%	29.0%	27 550	28 907	30 357	-5.3%	31.9%
Sale of goods and services other than capital assets	15 714	19 001	19 726	24 000	15.2%	20.0%	19 500	20 405	21 475	-3.6%	22.3%
of which:											
Administrative fees	15 145	18 797	19 555	24 000	16.6%	19.7%	19 500	20 405	21 475	-3.6%	22.3%
Sales by market establishment	569	204	171	-	-100.0%	0.3%	-	-	-	-	-
Other non-tax revenue	7 394	8 055	8 034	11 786	16.8%	9.0%	8 050	8 502	8 882	-9.0%	9.6%
Transfers received	52 100	61 430	88 353	80 401	15.6%	71.0%	56 683	60 739	64 875	-6.9%	68.1%
Total revenue	75 208	88 486	116 113	116 187	15.6%	100.0%	84 233	89 646	95 232	-6.4%	100.0%
Expenses											
Current expenses	73 736	91 497	111 053	120 687	17.8%	100.0%	83 961	87 510	92 820	-8.4%	100.0%
Compensation of employees	42 968	51 223	61 292	61 587	12.7%	55.1%	50 225	52 764	56 231	-3.0%	57.9%
Goods and services	27 498	36 905	46 457	54 600	25.7%	41.2%	28 928	29 717	31 293	-16.9%	36.8%
Depreciation	3 270	3 369	3 304	4 500	11.2%	3.7%	4 808	5 029	5 296	5.6%	5.2%
Total expenses	73 736	91 497	111 053	120 687	17.8%	100.0%	83 961	87 510	92 820	-8.4%	100.0%
Surplus/(Deficit)	1 472	(3 011)	5 060	(4 500)	-245.1%		272	2 136	2 412	-181.2%	

Personnel information

Table 17.38 South African Qualifications Authority

Number of posts estimated for 31 March 2014	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14			2014/15		2015/16		2016/17		2013/14 - 2016/17					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost				Unit Cost		
205	205	213	61.3	0.3	205	61.6	0.3	212	50.2	0.2	161	52.8	0.3	161	56.2	0.3	-3.0%	100.0%	
1-6	20	20	62	5.3	0.1	20	2.9	0.1	12	0.7	0.1	13	0.8	0.1	13	0.8	0.1	-33.5%	7.9%
7-10	77	77	79	18.5	0.2	77	13.2	0.2	102	11.4	0.1	64	12.2	0.2	64	14.0	0.2	2.1%	41.3%
11-12	92	92	58	25.7	0.4	92	32.5	0.4	76	25.0	0.3	69	26.3	0.4	69	26.6	0.4	-6.4%	41.6%
13-16	16	16	14	11.9	0.8	16	13.1	0.8	22	13.1	0.6	15	13.4	0.9	15	14.8	1.0	4.1%	9.2%

1. Rand million.

Expenditure trends

The main revenue source for the South African Qualifications Authority is transfers from the department. The authority receives an additional R13 million over the MTEF period to increase its capacity to verify the qualifications of new and current public servants, and expects to verify 300 000 qualifications over the medium term. The authority also received R102.4 million between September 2010 and 31 August 2013 from the National Skills Fund for the career advice services helpdesk project, which has assisted around 155 000 people with career advice between 2010/11 and 2013/14. The department has committed a further R40 million for the project in 2014/15. Other revenue is mainly derived from fees for the evaluation of foreign qualifications, fees for verification services, rental income, and interest on investments. Revenue is expected to decrease over the medium term as the funding from the National Skills Fund ends in 2013/14.

The higher expenditure between 2011/12 and 2013/14 was mainly due to spending on the career advice services helpdesk project. However, expenditure is expected to decrease over the medium term as the project has not yet secured funding for the period beyond 2014/15, and therefore no projections for the project have been made for 2014/15 to 2016/17. This also accounts for the decrease in expenditure on compensation of employees from R61.6 million in 2013/14 to R56.2 million in 2016/17. At the end of November 2013, the authority had an establishment of 205 posts, all of which are filled. Over the medium term, there will be vacancies mainly in the

career advice services project as these positions are for a short term period and will only be filled once an allocation for the project is finalised.

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.

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	Adjustments		Adjusted
R thousand	2012/13		2012/13	2013/14		2013/14	
Administration	175 453	164 166	171 655	200 621	(10 962)	189 659	185 311
Human Resource Development, Planning and Monitoring Coordination	40 671	44 342	42 829	48 066	(626)	47 440	43 756
University Education	26 233 965	26 232 692	26 228 713	28 303 651	(2 911)	28 300 740	28 299 332
Vocational and Continuing Education and Training	4 950 200	5 044 252	5 045 941	5 664 457	26 551	5 691 008	5 697 333
Skills Development	100 068	100 699	93 262	105 596	(543)	105 053	102 306
Subtotal	31 500 357	31 586 151	31 582 400	34 322 391	11 509	34 333 900	34 328 038
Direct charge against the National Revenue Fund	9 606 148	11 400 000	11 694 493	12 403 000	(103 000)	12 300 000	12 300 000
Sector education and training authorities	7 684 915	9 120 000	9 355 595	9 922 395	(81 803)	9 840 592	9 840 592
National Skills Fund	1 921 233	2 280 000	2 338 898	2 480 605	(21 197)	2 459 408	2 459 408
Total	41 106 505	42 986 151	43 276 893	46 725 391	(91 491)	46 633 900	46 628 038
Economic classification							
Current payments	529 708	523 405	517 618	581 245	(1 695)	579 550	572 730
Compensation of employees	359 140	374 120	360 434	402 700	-	402 700	400 262
Goods and services	170 568	149 285	157 184	178 545	(1 695)	176 850	172 468
Transfers and subsidies	40 569 186	42 457 819	42 753 787	46 140 105	(91 426)	46 048 679	46 050 112
Provinces and municipalities	4 757 271	4 844 607	4 844 607	2 442 679	11 509	2 454 188	2 454 188
Departmental agencies and accounts	14 906 511	16 701 904	16 996 473	18 285 606	(103 000)	18 182 606	18 182 606
Higher education institutions	20 902 860	20 902 860	20 902 779	22 388 767	-	22 388 767	22 388 767
Foreign governments and international organisations	2 544	2 544	2 639	2 864	-	2 864	2 864
Non-profit institutions	-	5 000	5 000	3 020 189	-	3 020 189	3 020 189
Households	-	904	2 289	-	65	65	1 498
Payments for capital assets	7 611	4 927	5 455	4 041	1 630	5 671	5 196
Machinery and equipment	7 611	4 752	5 455	4 041	1 405	5 446	4 978
Software and other intangible assets	-	175	-	-	225	225	218
Payments for financial assets	-	-	33	-	-	-	-
Total	41 106 505	42 986 151	43 276 893	46 725 391	(91 491)	46 633 900	46 628 038

Table 17.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	258 205	305 598	360 434	402 700	426 540	448 427	478 023
Training expenditure (R thousand)	874	1 629	1 751	1 373	2 500	2 600	2 738
Training spend as percentage of compensation	0.3%	0.5%	0.5%	0.3%	0.6%	0.6%	0.6%
Total number trained (headcount)	254	224	247	141			
<i>of which:</i>							
Employees receiving bursaries (headcount)	24	42	27	29			
Internships (headcount)	54	97	88	109			
Households receiving bursaries (R thousand)	318 000	1 235 244	1 734 834	1 988 434	2 107 739	2 204 695	2 323 749
Households receiving bursaries (headcount)	64 572	169 000	188 182	222 817			

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Conditional grants to provinces							
Vocational and Continuing Education and Training							
Further education and training colleges grant	3 803 958	4 375 311	4 844 607	2 454 188	2 631 346	2 818 573	2 973 988
Total	3 803 958	4 375 311	4 844 607	2 454 188	2 631 346	2 818 573	2 973 988

1. Detail provided in the Division of Revenue Act (2014).

Table 17.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand													
Foreign In cash													
European Union	University library books, technical support and higher education AIDS project	University Education	2004 to 2010	216 230	Goods and services	University library books, technical support and higher education AIDS project	10 701	–	–	–	–	–	–
European Union	Technical and business initiative in South Africa	University Education	2008/09	6 487	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	–	6 487	–	–	–	–	–
European Union	Primary education sector policy support programme: Teacher education for foundation phase	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	22 746	48 850	35 337	–	–	–
United States Agency for International Development	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	2013/14 to 2014/15	60 000	Departmental agencies and accounts	Career guidance services	–	–	–	30 000	30 000	–	–
United States Agency for International Development	Trilateral cooperation project: Rebuilding constitutionalism in post-conflict societies through comparative analysis	Human Resource Development, Planning and Monitoring Coordination	2012/13 to 2014/15	1 746	Goods and services	PhD candidates from selected countries are registered at the University of Pretoria Faculty of Law. They have access to teaching, research and publishing opportunities, and thesis supervision	–	–	226	900	570	50	–
United States Agency for International Development	Trilateral cooperation project: Rebuilding constitutionalism in post-conflict societies through comparative analysis	Human Resource Development, Planning and Monitoring Coordination	2010/11 to 2012/13	1 790	Goods and services	Certificate for officials from South Sudan education ministry	–	–	342	726	–	–	–
Netherlands Organisation for International Cooperation	Strengthening business management systems in selected further education and training colleges	Vocational and Continuing Education and Training	2014/15	8 000	Goods and services	Improved student support services in 12 further education and training colleges	–	–	–	–	8 000	–	–
Netherlands Organisation for International Cooperation	Strengthening the national certificate (vocational) in line with labour market needs	Vocational and Continuing Education and Training	2014/15	8 000	Goods and services	Revised subjects curriculum, improved student support services, lecturer development communities of practice, student support services communities practice, student work placement	–	–	–	–	8 000	–	–

Table 17.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
Denmark	Support to education and skills development programme	Vocational and Continuing Education and Training	2010/11 to 2013/14	28 000	Goods and services	Improved student support services in 12 further education and training colleges	-	-	-	-	28 000	-	-
European Union	General budget support for career development and national qualifications framework advice project	University Education	2013/14 to 2014/15	99 000	Departmental agencies and accounts	Career guidance services	-	-	-	-	44 400	54 600	-
European Union	General budget support for open learning system for post-school education and training	University Education	2013/14 to 2014/15	51 800	Departmental agencies and accounts	Career guidance services	-	-	-	-	14 000	18 800	19 000
In kind													
Denmark	Support to education and skills development programme	Vocational and Continuing Education and Training	2010/11 to 2012/13	28 799	Goods and services	Support to the education and skills development programme in South Africa	-	889	9 599	9 599	-	-	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	Employment and skills development services	Skills Development	2006/07 to 2010/11	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	-	-	100	100	100	-
Netherlands	Implementation of standardised business management system in 3 pilot further education and training colleges	Vocational and Continuing Education and Training	2010/11	4 200	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	-	4 200	-	-	-	-	-
Belgium Development Agency	Identifying key information gaps in further education training college sub-systems	Vocational and Continuing Education and Training	2011/12	350	Compensation of employees	Identifying key information gaps in further education training college sub-systems	-	350	-	-	-	-	-
Chinese Government	Refurbishment of 4 further education training colleges	Vocational and Continuing Education and Training	2011/12	2 000	Goods and services	Refurbishment of 4 further education training colleges	-	2 000	-	-	-	-	-
United States Agency for International Development	United States Agency for International Development partnership for skills development	Skills Development	2011/12	4 741	Goods and services	United States Agency for International Development partnership for skills development	-	4 741	-	-	-	-	-
Total				808 936			78 261	41 413	59 017	76 662	133 070	73 550	19 000

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		
				2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Infrastructure transfers to other spheres, agencies and departments										
Tertiary institutions infrastructure	Hostels, lecture halls, laboratories	Various	31 229 361	1 585 000	1 625 294	1 799 935	2 000 000	2 200 000	2 300 000	2 421 900
New universities in Mpumalanga and Northern Cape	Lecture halls, laboratories, hostels	Various	12 400 000	-	-	-	150 000	500 000	1 000 000	1 053 000
Total			43 629 361	1 585 000	1 625 294	1 799 935	2 150 000	2 700 000	3 300 000	3 474 900

Table 17.F Direct transfer and subsidy portion for FET Colleges, 2014/15

Further Education and Training College	Compensation of employees	Other operational costs	Capital expenditure	Total subsidy
R thousand				
Eastern Cape	133 644 403	385 468 596	-	519 113 000
Buffalo City	15 725 188	35 316 811	-	51 042 000
East Cape Midlands	15 502 167	75 338 833	-	90 841 000
Ikhala	12 293 667	37 829 333	-	50 123 000
Ingwe	16 201 573	57 815 427	-	74 017 000
King Hintsa	7 756 900	51 771 100	-	59 528 000
King Sabata Dalindyebo	24 093 712	68 982 288	-	93 076 000
Lovedale	20 191 957	23 242 043	-	43 434 000
Port Elizabeth	21 879 239	35 172 761	-	57 052 000
Free State	99 614 241	104 698 759	-	204 313 000
Flavius Mareka	26 170 974	686 026	-	26 857 000
Goldfields	20 092 258	9 279 742	-	29 372 000
Maluti	25 223 341	14 476 659	-	39 700 000
Motheo	28 127 668	80 256 332	-	108 384 000
Gauteng	168 075 677	470 987 323	-	639 063 000
Central Johannesburg	11 809 401	24 351 599	-	36 161 000
Ekurhuleni East	10 474 241	53 088 759	-	63 563 000
Ekurhuleni West College	16 276 364	70 466 636	-	86 743 000
Sedibeng	26 899 597	74 920 403	-	101 820 000
South West	14 197 125	118 166 875	-	132 364 000
Tshwane North	35 162 539	43 986 461	-	79 149 000
Tshwane South	23 923 593	23 059 407	-	46 983 000
Western	29 332 818	62 947 182	-	92 280 000
KwaZulu-Natal	428 023 320	254 433 680	-	682 457 000
Coastal	66 639 059	17 023 941	-	83 663 000
Elangeni	46 358 090	44 647 910	-	91 006 000
Esayidi	55 945 988	21 368 012	-	77 314 000
Majuba	71 787 752	87 714 248	-	159 502 000
Mnambithi	26 616 485	31 259 515	-	57 876 000
Mthashana	33 673 348	4 243 652	-	37 917 000
eThekweni	29 490 316	9 205 684	-	38 696 000
Umfolozo	65 215 634	38 831 366	-	104 047 000
Umgungundlovu	32 296 648	139 352	-	32 436 000
Limpopo	13 564 854	239 654 146	-	253 219 000
Capricorn	-	48 274 000	-	48 274 000
Lephalale	1 569 854	7 245 146	-	8 815 000
Letaba	1 234 171	17 817 829	-	19 052 000
Mopani South East	1 194 534	34 098 466	-	35 293 000
Sekhukhune	1 790 026	17 302 974	-	19 093 000
Vhembe	-	100 728 000	-	100 728 000
Waterberg	7 776 268	14 187 732	-	21 964 000
Mpumalanga	356 663	272 518 337	-	272 875 000
Ehlanzeni	3 367	87 972 633	-	87 976 000
Gert Sibande	71 412	89 761 588	-	89 833 000
Nkangala	281 885	94 784 115	-	95 066 000
North West	121 828 172	110 204 828	-	232 033 000
Orbit	65 732 480	71 512 520	-	137 245 000
Taletso	29 359 290	20 755 710	-	50 115 000
Vuselela	26 736 402	17 936 598	-	44 673 000
Northern Cape	33 152 836	17 622 164	-	50 775 000
Northern Cape Rural	15 720 646	14 050 354	-	29 771 000
Northern Cape Urban	17 432 190	3 571 810	-	21 004 000
Western Cape	249 863 137	89 622 478	2 493 385	341 979 000
Boland	36 304 873	6 772 896	975 230	44 053 000
College of Cape Town	23 826 070	1 695 930	-	25 522 000
False Bay	44 109 087	6 579 229	953 684	51 642 000
NorthLink	81 955 646	3 872 354	-	85 828 000
South Cape	22 320 691	18 950 839	564 471	41 836 001
West Coast	41 346 770	51 751 230	-	93 098 000
Total	1 248 123 304	1 945 210 311	2 493 385	3 195 827 000

Table 17.G Summary of financial assistance to higher education institutions, 2013/14

Higher education institutions	Block grant	Interest and redemption	Infra-structure and efficiency funds	Development funds	Clinical training of health professionals	Ad Hoc	National Student Financial Aid Scheme				Total
							General allocation	Teacher training	Students with disabilities	Final year programme	
R thousand											
Cape Peninsula University of Technology	832 101	737	79 615	39 470	5 528	–	144 936	8 997	3 125	42 600	890 796
University of Cape Town	1 011 245	21	58 104	19 684	38 581	–	729 682	588	1 140	34 118	1 069 531
Central University of Technology	297 691	–	110 016	18 797	2 122	–	61 000	3 743	1 994	41 000	318 610
Durban University of Technology	615 393	1 051	121 083	27 176	5 643	–	171 683	4 366	5 076	53 247	649 263
University of Fort Hare	294 861	–	134 331	15 963	4 379	–	89 412	1 499	1 553	53 000	315 203
University of the Free State	831 072	48	69 465	44 091	22 644	–	85 174	2 292	1 265	19 600	897 855
University of Johannesburg	1 222 140	2 701	73 437	68 419	6 364	12 480	231 438	1 861	3 977	60 783	1 312 104
University of KwaZulu-Natal	1 315 241	289	81 340	33 988	65 127	16 320	168 019	16 906	3 698	56 517	1 430 965
University of Limpopo	652 618	–	131 965	49 445	41 046	6 240	160 019	10 174	3 389	94 675	749 349
Mangosuthu University of Technology	235 973	–	76 329	19 159	400	–	94 012	–	2 140	62 000	255 532
Nelson Mandela Metropolitan University	673 777	77	65 172	27 387	6 791	11 600	94 435	358	2 427	31 991	719 632
North West University	1 090 562	116	70 458	32 511	7 212	28 060	85 188	8 085	2 535	53 138	1 158 461
University of Pretoria	1 561 571	–	58 753	33 880	39 875	122 500	108 120	6 737	2 632	40 935	1 757 826
Rhodes University	287 969	29	61 042	4 829	695	–	15 481	72	154	12 350	293 522
University of South Africa	1 865 849	–	58 087	231 327	–	1 000	125 259	977	3 993	2 350	2 098 176
Stellenbosch University	1 018 519	149	52 693	14 771	34 362	–	25 568	215	639	25 594	1 067 801
Tshwane University of Technology	1 267 772	3 102	127 059	77 877	3 521	12 860	323 221	5 568	6 182	92 774	1 365 132
Vaal University of Technology	460 513	466	98 545	29 093	1 983	–	132 026	–	3 826	46 320	492 055
University of Venda	316 017	220	101 760	21 934	2 772	–	97 235	7 273	3 483	45 000	340 943
Walter Sisulu University	571 673	–	131 050	65 685	13 700	22 880	178 570	8 134	4 368	80 965	673 938
University of the Western Cape	611 473	–	62 379	30 120	27 400	–	104 201	1 683	3 257	31 000	668 993
University of Witwatersrand	1 081 451	249	51 891	25 159	53 843	–	117 962	3 442	3 022	37 273	1 160 702
University of Zululand	323 103	–	125 426	25 760	3 503	–	68 593	13 030	2 126	102 768	352 366
National Institutes of Higher Education in Northern Cape	–	–	–	–	–	28 613	–	–	–	–	28 613
National Institutes of Higher Education in Mpumalanga	–	–	–	–	–	16 805	–	–	–	–	16 805
Operational costs for two new universities in Mpumalanga and Northern Cape	–	–	–	–	–	150 000	–	–	–	–	150 000
Capital expenditure on the two new universities in Mpumalanga and Northern Cape	–	–	–	–	–	150 000	–	–	–	–	150 000
Unallocated	–	1 844	–	–	–	2 750	–	–	–	–	5 697 889
Total	18 438 584	11 099	2 000 000	956 525	387 491	596 912	3 411 234	106 000	66 000	1 120 000	26 082 062

Table 17.H Summary of financial assistance to higher education institutions, 2014/15

Higher education institutions	Block grant	Interest and redemption	Infra-structure and efficiency funds	Development funds	Clinical training of health professionals	Ad Hoc	National Student Financial Aid Scheme				Total
							General allocation	Teacher training	Students with disabilities	Final year programme	
R thousand											
Cape Peninsula University of Technology	872 294	–	79 616	52 382	5 325	10 368	–	–	–	–	1 019 985
University of Cape Town	1 044 332	–	58 107	27 362	35 425	–	–	–	–	–	1 165 226
Central University of Technology	313 964	–	85 317	22 182	2 559	–	–	–	–	–	424 022
Durban University of Technology	639 026	1 236	137 083	35 522	8 356	–	–	–	–	–	821 223
University of Fort Hare	316 222	–	134 330	19 876	5 233	–	–	–	–	–	475 661
University of the Free State	883 476	16	69 464	53 020	28 266	–	–	–	–	–	1 034 242
University of Johannesburg	1 298 222	2 159	–	78 872	6 440	9 984	–	–	–	–	1 395 677
University of KwaZulu-Natal	1 362 254	–	81 339	45 722	68 974	13 056	–	–	–	–	1 571 345
University of Limpopo	730 717	–	131 964	43 869	42 047	4 992	–	–	–	–	953 589
Mangosuthu University of Technology	237 156	–	76 330	16 795	435	–	–	–	–	–	330 716
Nelson Mandela Metropolitan University	718 816	91	65 171	32 773	7 513	9 280	–	–	–	–	833 644
North West University	1 186 116	–	70 457	43 598	8 957	23 148	–	–	–	–	1 332 276
University of Pretoria	1 591 924	–	–	44 295	40 879	130 210	–	–	–	–	1 807 308
Rhodes University	307 108	–	61 042	7 037	871	–	–	–	–	–	376 058
University of South Africa	2 019 925	–	–	159 734	–	1 000	–	–	–	–	2 180 659
Stellenbosch University	1 143 889	119	52 694	21 706	35 159	–	–	–	–	–	1 253 567
Tshwane University of Technology	1 338 338	2 171	143 058	105 803	5 263	10 588	–	–	–	–	1 605 221
Vaal University of Technology	499 199	549	98 545	30 377	2 549	–	–	–	–	–	631 219
University of Venda	332 004	220	101 759	21 223	3 341	–	–	–	–	–	458 547
Walter Sisulu University	611 999	–	170 184	60 899	14 759	18 304	–	–	–	–	876 145
University of the Western Cape	638 933	–	62 380	33 000	26 142	–	–	–	–	–	760 455
University of Witwatersrand	1 090 778	196	51 890	22 732	57 345	–	–	–	–	–	1 222 941
University of Zululand	384 542	–	125 426	24 235	4 902	–	–	–	–	–	539 105
Operational costs for two new universities in Mpumalanga and Northern Cape	–	–	–	–	–	159 000	–	–	–	–	159 000
Capital expenditure on the two new universities in Mpumalanga and Northern Cape	–	–	–	–	–	500 000	–	–	–	–	500 000
Unallocated	–	6 243	343 844	30 475	–	46 700	3 914 893	–	–	–	4 342 155
Total	19 561 234	13 000	2 200 000	1 033 489	410 740	936 630	3 914 893	–	–	–	28 069 986



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA