

# Vote 15

## Higher Education and Training

### Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	432.3	427.8	–	4.5	462.1	493.7
Planning, Policy and Strategy	80.2	76.0	3.7	0.4	86.1	93.9
University Education	59 147.1	79.1	59 067.6	0.4	73 295.7	80 666.2
Technical and Vocational Education and Training	10 739.7	6 436.5	4 302.7	0.5	12 982.5	14 585.1
Skills Development	262.6	127.8	133.8	1.0	279.8	297.0
Community Education and Training	2 358.8	2 244.2	112.7	1.9	2 532.8	2 714.7
<b>Subtotal</b>	<b>73 020.6</b>	<b>9 391.5</b>	<b>63 620.5</b>	<b>8.6</b>	<b>89 639.1</b>	<b>98 850.7</b>
<b>Direct charge against the National Revenue Fund</b>						
Sector Education and Training Authorities	13 543.5	–	13 543.5	–	14 639.6	15 855.6
National Skills Fund	3 385.9	–	3 385.9	–	3 659.9	3 963.9
<b>Total expenditure estimates</b>	<b>89 950.0</b>	<b>9 391.5</b>	<b>80 549.9</b>	<b>8.6</b>	<b>107 938.5</b>	<b>118 670.1</b>
Executive authority	Minister of Higher Education and Training					
Accounting officer	Director General of Higher Education and Training					
Website address	<a href="http://www.dhet.gov.za">www.dhet.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.*

### Vote purpose

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

### Mandate

The Department of Higher Education and Training derives its mandate from:

- the Higher Education Act (1997), which provides for a unified national system of higher education
- the National Student Financial Aid Scheme Act (1999), which provides for the granting of loans and bursaries to eligible students attending public higher education and training institutions, and the subsequent administration of such loans and bursaries
- the Continuing Education and Training Colleges Act (2006), which provides for the regulation of continuing education and training, the establishment of governance structures for and the funding of public technical and vocational education and training (TVET) colleges and community education and training colleges, the registration of private colleges, and the promotion of quality in continuing education and training
- 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 Qualifications Framework Act (2008), which provides for the national qualifications framework, the South African Qualifications Authority and quality councils, for the issuing and quality assurance of qualifications required on the sub-frameworks of the national qualifications framework.

## Selected performance indicators

**Table 15.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of students enrolled in higher education institutions per year <sup>1</sup>	University Education	Outcome 5: A skilled and capable workforce to support an inclusive growth path	969 155	985 212	1 035 000 <sup>2</sup>	1 041 000	1 062 000	1 080 000	1 100 000
Number of doctoral graduates from universities per year	University Education		2 051	2 258	2 530	2 300	2 700	2 800	2 960
Number of postgraduate graduates per year	University Education		50 773	49 863	51 051	54 000	55 000	57 000	58 600
Number of first-year students in foundation programmes per year	University Education		17 960	19 212	20 942	34 000	37 000	39 000	24 500 <sup>2</sup>
Number of graduates in initial teacher education from universities per year	University Education		16 808	19 124	20 698	19 400	18 600	19 600	23 300
Number of headcount enrolments in TVET colleges per year <sup>1</sup>	Technical and Vocational Education and Training		702 383	737 880	753 013 <sup>3</sup>	710 535	710 535	710 535	710 535
Number of qualifying students in TVET colleges receiving financial assistance per year	Technical and Vocational Education and Training		228 642	298 457	225 557	230 086	234 669	239 362	244 150
Percentage of public TVET college examination centres conducting national examinations and assessments evaluated	Technical and Vocational Education and Training		- <sup>4</sup>	87% (1 079/1 240)	- <sup>5</sup>	100%	100%	100%	100%
Number of monitoring and evaluation reports on TVET colleges approved per year	Technical and Vocational Education and Training		- <sup>4</sup>	2	2	2	2	2	2
Number of new artisans registered for training each year	Skills Development		28 301	28 640	30 814	31 750	32 750	33 750	34 750
Number of artisan learners qualified each year	Skills Development		14 389	16 114	21 188	22 110	23 110	24 000	25 000
Number of work-based learning opportunities created per year	Skills Development		110 164	118 582	148 517	130 000	135 000	140 000	140 000
Number of headcount enrolments in community education and training colleges per year <sup>1</sup>	Community Education and Training		275 268	283 602	- <sup>5</sup>	320 000	330 000	340 000	350 000
Percentage of certification rate per year in the general education and training certificate	Community Education and Training		- <sup>4</sup>	- <sup>4</sup>	- <sup>5</sup>	38%	40%	45%	47%

1. Corrections have been attributed to the delay in reporting on the number of enrolments at universities headcount enrolment numbers, and to past TVET enrolment numbers revised in line with official statistics.

2. Decrease due to a decision taken by the previous minister that the department will no longer fund the University of South Africa for its foundation provision programme because the university does not have any extended curriculum programmes approved by the department.

3. Not yet verified.

4. No historical data available.

5. Audited data not yet available.

## Expenditure analysis

The National Development Plan (NDP) and outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework envisage that, by 2030, South Africans should have access to post-school education and training of the highest quality, leading to significant improvements in what learners know and can do on completion of their education or training. In line with this, the department will, over the medium term, focus on supporting the post-school education and training system by expanding access to universities and TVET colleges and improving their performance, improving the development of artisans, and strengthening the management and governance of community education and training colleges.

Cabinet approved budget reductions of R28.2 million in the department's *Administration* programme over the medium term will be accommodated through cost containment measures on various goods and services items such as minor assets, outsourced services, travel and subsistence, computer services, and operating payments.

**Expanding access to universities and increasing student financial aid**

Expanding the higher education system to produce mid- to high-level skills is an ongoing pursuit. The number of students enrolled in higher education institutions is projected to reach 1.1 million in 2020/21, moving towards the NDP's target of 1.6 million enrolments by 2030. Transfers and subsidies to universities for operations and capital projects account for the bulk of the department's spending, increasing from R31.6 billion in 2017/18 to a projected R45.1 billion in 2020/21, at an average annual rate of 12.6 per cent. This increase is due an additional R11.3 billion that government has allocated to university subsidies over the medium term following the president's response to the commission of inquiry into higher education and training. This allocation is expected to cover the 8 per cent tuition fee increase in the 2018 academic year for undergraduate students from families with a combined annual income of between R350 000 and R600 000, and ensure that university operating costs are adequately covered. These transfers are made in the *University Education* programme, and include transfers for student financial aid.

Allocations to the National Student Financial Aid Scheme are set to increase at an average annual rate of 51.6 per cent, from R10.1 billion in 2017/18 to R35.3 billion in 2020/21. This significant increase is due to an additional allocation of R43.4 billion for the scheme over the MTEF period for the gradual phasing in of fee free higher education and training for the poor and working class. The provision of fully subsidised fee free higher education and training will be extended to all current and future undergraduate university and TVET college students from poor and working class families with a combined annual income of up to R350 000. This will begin in 2018 with students in their first year of study, and extend to second, third and fourth year students in subsequent years. These students will have their full cost of study (tuition fees, prescribed study material, meals, accommodation and/or transport) fully subsidised by government. This additional funding will increase the number of undergraduate university students to be supported by the scheme from 230 469 in 2017/18 to an estimated 1 123 212 over the medium term, and the number of TVET college students from 230 068 in 2017/18 to 1 137 204 over the same period. Also included in this additional allocation to the scheme is R105 million over the MTEF period towards the administration costs of the new bursary arrangements.

**Expanding access to and improving the performance of TVET colleges**

The NDP mandates the department to expand access to skills programmes that address the labour market's need for intermediate skills that include a practical component. Over the medium term, the department will continue to focus on expanding skills training, work opportunities and work placements for artisans. Funding constraints and a focus on improving the quality of teaching and learning at public TVET colleges is expected to result in the number of enrolments remaining constant at 710 535 per year over the medium term.

Transfers and subsidies to TVET colleges, made in the *Technical and Vocational Education and Training* programme, are expected to increase at an average annual rate of 66 per cent, from R1.5 billion in 2017/18 to R6.8 billion in 2020/21. Driving this significant increase is R4.4 billion over the same period for the introduction of TVET infrastructure baseline funding to refurbish campus buildings, purchase workshop equipment and maintain facilities. Due to additional allocations of R12.5 billion over the medium term, transfers and subsidies to TVET college are set to increase government funding from the current 54 per cent of total TVET programme costs to the 80 per cent by 2022/23 prescribed by the national norms and standards for funding TVET colleges. Included in these subsidies are additional allocations approved by Cabinet of R400 million in 2019/20 and R422 million in 2020/21 for the operationalisation of the 3 new TVET college campuses; and R161.9 million in 2019/20 and R290.1 million in 2020/21 for the TVET college examination services function.

In addition to these subsidies, the improved performance of TVET colleges will also be supported through partnerships with sector education and training authorities and funding from the National Skills Fund for initiatives such as infrastructure development and the provision of bursaries. This combined support is expected to contribute to an increase in the number of artisan learners qualifying from 22 110 in 2017/18 to 25 000 in 2020/21. In its efforts to improve the skills of lecturers and the performance of students, the department will develop and implement a teaching and learning support plan for TVET colleges, and ensure that all public TVET college examination centres conducting national examinations and assessments are evaluated each year over the MTEF period.

Spending on compensation of employees accounts for an estimated 58.4 per cent (R6.3 billion) of the *Technical and Vocational Education and Training* programme's budget of R10.7 billion in 2018/19, increasing at an average annual rate of 7.6 per cent over the medium term. This programme accounts for 51 per cent (more than 16 000) of all departmental personnel.

### ***Developing artisans***

Over the medium term, the department also aims to improve the public skills development system by managing the performance of service level agreements with sector education and training authorities more effectively, and by providing funding to trade institutions and quality assurance institutions for occupational qualifications. These institutions play a pivotal role in ensuring that the increasing number of qualified artisans and the creation of more work-based learning opportunities for university and TVET college students meet the requisite quality standards. In line with the NDP's objective of increasing the number of skilled individuals in the country, the number of qualified artisans is projected to increase from 22 110 in 2017/18 to 25 000 in 2020/21, and the number of work-based learning opportunities created from 130 000 to 140 000 over the same period.

The skills development levy is transferred directly to sector education and training authorities and the National Skills Fund, and is projected to increase at an average annual rate of 7.9 per cent, from R15.8 billion in 2017/18 to R19.8 billion in 2020/21. Sector education and training authorities offer skills programmes, learnerships, internships and apprenticeships, whereas the National Skills Fund provides funding for various skills development projects and bursaries for universities and TVET college programmes. An estimated 4 200 learners and 4 200 workers are expected to benefit from the fund over the medium term. Allocations for strengthening the monitoring and evaluation of service level agreements with sector education and training authorities and other relevant institutions are in the *Skills Development* programme, which has a total budget of R839.4 million over the medium term.

### ***Strengthening the management and governance of community education and training colleges***

Community education and training colleges also fall within the realm of higher education, and primarily target youths and adults who did not complete or attend school. In line with the NDP's vision, the department will aim to expand the sub-sector. It is projected that enrolments at these institutions will increase steadily from 320 000 learners in 2017/18 to 350 000 learners in 2020/21.

In contributing to improved governance and performance, previously developed regulations and policies for community education and training colleges will be implemented over the medium term, and annual oversight reports will be produced to monitor and evaluate their performance. Expenditure in the *Community Education and Training* programme is expected to increase at an average annual rate of 7.3 per cent, from R2.2 billion in 2017/18 to R2.7 billion in 2020/21. Expenditure on compensation of employees accounts for a projected 92.6 per cent of the programme's budget, increasing at an average annual rate of 7.5 per cent, from R2.2 billion in 2018/19 to R2.5 billion in 2020/21. About 46 per cent of the department's personnel, mainly community education and training educators, are in this programme, in 3 276 community learning centres throughout the country.

## Expenditure trends

**Table 15.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. Planning, Policy and Strategy														
3. University Education														
4. Technical and Vocational Education and Training														
5. Skills Development														
6. Community Education and Training														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	217.1	285.7	234.1	318.3	359.5	346.8	373.7	372.7	372.7	403.4	400.4	400.4	103.2%	95.5%
Programme 2	48.8	91.7	45.7	54.8	58.3	52.0	71.5	71.6	56.8	73.3	68.3	68.3	89.7%	76.9%
Programme 3	30 448.0	30 443.7	30 484.2	32 844.3	32 847.4	32 898.6	39 531.6	39 532.5	39 515.7	41 943.5	41 931.7	41 931.7	100.0%	100.1%
Programme 4	6 311.2	6 208.2	6 304.5	6 604.2	6 642.4	6 604.8	6 917.2	6 960.2	7 030.0	7 408.2	7 460.2	7 460.2	100.6%	100.5%
Programme 5	110.6	106.3	132.0	204.5	112.6	216.7	224.5	181.4	180.6	244.3	249.4	249.4	99.3%	119.9%
Programme 6	1 852.8	1 852.8	1 853.1	1 911.5	1 859.9	1 824.4	2 069.7	2 069.8	1 981.7	2 234.9	2 197.7	2 197.7	97.4%	98.5%
<b>Subtotal</b>	<b>38 988.5</b>	<b>38 988.5</b>	<b>39 053.5</b>	<b>41 937.8</b>	<b>41 880.1</b>	<b>41 943.4</b>	<b>49 188.3</b>	<b>49 188.3</b>	<b>49 137.6</b>	<b>52 307.6</b>	<b>52 307.6</b>	<b>52 307.6</b>	<b>100.0%</b>	<b>100.0%</b>
Direct charge against the National Revenue Fund	13 440.0	13 200.0	13 838.8	14 690.0	15 156.4	15 156.4	17 639.6	15 462.2	15 233.0	16 641.5	15 770.6	15 770.6	96.1%	100.7%
Sector education and training authorities	10 752.6	10 560.6	11 071.0	11 752.7	12 125.9	12 125.9	14 112.5	12 370.5	12 199.9	13 313.2	12 616.4	12 616.4	96.2%	100.7%
National Skills Fund	2 687.4	2 639.4	2 767.8	2 937.3	3 030.5	3 030.5	3 527.1	3 091.7	3 033.1	3 328.3	3 154.1	3 154.1	96.0%	100.6%
<b>Total</b>	<b>52 428.5</b>	<b>52 188.5</b>	<b>52 892.3</b>	<b>56 627.8</b>	<b>57 036.6</b>	<b>57 099.8</b>	<b>66 827.9</b>	<b>64 650.4</b>	<b>64 370.6</b>	<b>68 949.1</b>	<b>68 078.2</b>	<b>68 078.2</b>	<b>99.0%</b>	<b>100.2%</b>
Change to 2017 Budget estimate	(870.9)													
Economic classification														
<b>Current payments</b>	<b>5 363.7</b>	<b>5 272.9</b>	<b>7 408.1</b>	<b>7 801.2</b>	<b>7 696.2</b>	<b>7 531.3</b>	<b>8 215.2</b>	<b>7 948.3</b>	<b>7 883.2</b>	<b>8 845.8</b>	<b>8 669.6</b>	<b>8 669.6</b>	<b>104.2%</b>	<b>106.4%</b>
Compensation of employees	5 179.7	5 033.6	7 139.8	7 308.2	7 317.2	7 166.4	7 839.9	7 573.7	7 516.6	8 425.4	8 282.3	8 282.3	104.7%	106.7%
Goods and services	184.0	239.4	268.3	493.0	379.0	364.9	375.3	374.6	366.6	420.4	387.3	387.3	94.2%	100.5%
<b>Transfers and subsidies</b>	<b>47 061.1</b>	<b>46 910.5</b>	<b>45 478.5</b>	<b>48 814.3</b>	<b>49 330.0</b>	<b>49 506.4</b>	<b>58 605.0</b>	<b>56 694.5</b>	<b>56 477.4</b>	<b>60 094.2</b>	<b>59 399.0</b>	<b>59 399.0</b>	<b>98.3%</b>	<b>99.3%</b>
Departmental agencies and accounts	19 699.9	19 459.9	20 124.5	21 363.8	21 768.3	21 839.4	29 255.7	27 077.9	26 819.2	27 043.3	26 172.4	26 172.4	-	-
Higher education institutions	24 155.1	24 155.1	24 195.3	26 243.2	26 243.2	26 297.1	27 964.8	27 964.8	27 964.6	31 606.8	31 580.5	31 580.5	100.1%	100.1%
Foreign governments and international organisations	2.9	2.9	3.0	3.2	3.2	2.6	3.3	2.9	2.6	3.5	3.5	3.5	90.9%	94.0%
Non-profit institutions	3 203.2	3 193.2	1 155.5	1 204.1	1 315.0	1 362.0	1 381.2	1 641.2	1 673.0	1 440.6	1 634.6	1 634.6	80.6%	74.8%
Households	-	99.3	0.2	-	0.4	5.3	-	7.6	18.0	-	8.1	8.1	-	27.4%
<b>Payments for capital assets</b>	<b>3.7</b>	<b>5.1</b>	<b>5.7</b>	<b>12.3</b>	<b>10.4</b>	<b>10.2</b>	<b>7.7</b>	<b>7.7</b>	<b>9.9</b>	<b>9.1</b>	<b>9.6</b>	<b>9.6</b>	<b>107.6%</b>	<b>108.2%</b>
Machinery and equipment	3.7	5.1	5.7	12.3	10.4	10.1	7.7	7.7	9.9	9.1	7.8	7.8	101.9%	108.2%
Software and other intangible assets	-	-	-	-	-	0.1	-	-	0.1	-	1.7	1.7	-	109.9%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>51.9</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>52 428.5</b>	<b>52 188.5</b>	<b>52 892.3</b>	<b>56 627.8</b>	<b>57 036.6</b>	<b>57 099.8</b>	<b>66 827.9</b>	<b>64 650.4</b>	<b>64 370.6</b>	<b>68 949.1</b>	<b>68 078.2</b>	<b>68 078.2</b>	<b>99.0%</b>	<b>100.2%</b>

## Expenditure estimates

**Table 15.3 Vote expenditure estimates by programme and economic classification**

Programmes									
1. Administration									
2. Planning, Policy and Strategy									
3. University Education									
4. Technical and Vocational Education and Training									
5. Skills Development									
6. Community Education and Training									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	400.4	11.9%	0.6%	432.3	462.1	493.7	7.2%	0.5%	
Programme 2	68.3	-9.4%	0.1%	80.2	86.1	93.9	11.2%	0.1%	
Programme 3	41 931.7	11.3%	59.7%	59 147.1	73 295.7	80 666.2	24.4%	66.3%	
Programme 4	7 460.2	6.3%	11.3%	10 739.7	12 982.5	14 585.1	25.0%	11.9%	
Programme 5	249.4	32.9%	0.3%	262.6	279.8	297.0	6.0%	0.3%	
Programme 6	2 197.7	5.9%	3.2%	2 358.8	2 532.8	2 714.7	7.3%	2.5%	
<b>Subtotal</b>	<b>52 307.6</b>	<b>10.3%</b>	<b>75.3%</b>	<b>73 020.6</b>	<b>89 639.1</b>	<b>98 850.7</b>	<b>23.6%</b>	<b>81.6%</b>	

**Table 15.3 Vote expenditure estimates by programme and economic classification**

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
<b>Direct charge against the National Revenue Fund</b>	<b>15 770.6</b>	<b>6.1%</b>	<b>24.7%</b>	<b>16 929.4</b>	<b>18 299.5</b>	<b>19 819.5</b>	<b>7.9%</b>	<b>18.4%</b>
Sector education and training authorities	12 616.4	6.1%	19.8%	13 543.5	14 639.6	15 855.6	7.9%	14.7%
National Skills Fund	3 154.1	6.1%	4.9%	3 385.9	3 659.9	3 963.9	7.9%	3.7%
<b>Total</b>	<b>68 078.2</b>	<b>9.3%</b>	<b>100.0%</b>	<b>89 950.0</b>	<b>107 938.5</b>	<b>118 670.1</b>	<b>20.3%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				12 348.9	25 318.2	29 531.0		
<b>Economic classification</b>								
<b>Current payments</b>	<b>8 669.6</b>	<b>18.0%</b>	<b>13.0%</b>	<b>9 391.5</b>	<b>10 370.7</b>	<b>11 133.7</b>	<b>8.7%</b>	<b>10.3%</b>
Compensation of employees	8 282.3	18.1%	12.4%	8 957.0	9 637.7	10 360.5	7.7%	9.7%
Goods and services	387.3	17.4%	0.6%	434.5	733.0	773.2	25.9%	0.6%
<b>Transfers and subsidies</b>	<b>59 399.0</b>	<b>8.2%</b>	<b>87.0%</b>	<b>80 549.9</b>	<b>97 558.5</b>	<b>107 526.5</b>	<b>21.9%</b>	<b>89.7%</b>
Departmental agencies and accounts	26 172.4	10.4%	39.2%	37 533.0	49 413.2	55 440.8	28.4%	43.8%
Higher education institutions	31 580.5	9.3%	45.4%	38 559.0	42 237.9	45 102.2	12.6%	40.9%
Foreign governments and international organisations	3.5	6.2%	0.0%	3.7	3.9	4.1	5.6%	0.0%
Non-profit institutions	1 634.6	-20.0%	2.4%	4 454.2	5 903.5	6 979.4	62.2%	4.9%
Households	8.1	-56.7%	0.0%	-	-	-	-100.0%	0.0%
<b>Payments for capital assets</b>	<b>9.6</b>	<b>23.6%</b>	<b>0.0%</b>	<b>8.6</b>	<b>9.3</b>	<b>9.9</b>	<b>1.2%</b>	<b>0.0%</b>
Machinery and equipment	7.8	15.7%	0.0%	8.5	9.1	9.8	7.8%	0.0%
Software and other intangible assets	1.7	-	0.0%	0.2	0.2	0.1	-61.3%	0.0%
<b>Total</b>	<b>68 078.2</b>	<b>9.3%</b>	<b>100.0%</b>	<b>89 950.0</b>	<b>107 938.5</b>	<b>118 670.1</b>	<b>20.3%</b>	<b>100.0%</b>

## Expenditure trends and estimates for significant spending items

**Table 15.4 Expenditure trends and estimates for significant spending items**

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Subsidies: Community education and training colleges	-	91 758	98 053	103 898	-	0.2%	109 924	116 080	122 464	5.6%	0.1%
Subsidies: Technical and vocational education and training colleges	1 148 072	1 262 521	1 566 747	1 495 749	9.2%	3.0%	4 287 538	5 768 665	6 837 112	66.0%	5.9%
Subsidies: Higher education institutions	24 195 293	26 297 074	27 964 560	31 606 841	9.3%	60.3%	38 597 859	42 237 891	45 102 225	12.6%	50.2%
National Student Financial Aid Scheme	6 138 832	6 448 551	11 392 674	10 143 091	18.2%	18.7%	20 334 391	30 829 474	35 321 406	51.6%	30.8%
Compensation of employees: Technical and vocational education and training	1 774 703	1 712 348	1 850 581	2 029 783	4.6%	4.0%	2 183 023	2 347 452	2 519 480	7.5%	2.9%
Sector education and training authorities	5 097 809	5 119 809	5 289 339	5 822 490	4.5%	11.7%	6 276 197	6 753 374	7 263 108	7.6%	8.3%
Sector education and training authorities <sup>1</sup>	11 071 025	12 125 894	12 199 864	12 616 443	4.5%	-	13 543 507	14 639 578	15 855 564	7.9%	-
National Skills Fund <sup>1</sup>	2 767 773	3 030 539	3 033 145	3 154 111	4.5%	-	3 385 876	3 659 894	3 963 890	7.9%	-
<b>Total</b>	<b>52 193 507</b>	<b>56 088 494</b>	<b>63 394 963</b>	<b>66 972 406</b>	<b>54.8%</b>	<b>97.9%</b>	<b>88 718 315</b>	<b>106 352 408</b>	<b>116 985 249</b>	<b>166.7%</b>	<b>98.2%</b>

1. This item is a direct charge against the National Revenue Fund, and is spent in terms of a statute and is not budgeted for in any programme of the vote. Hence it is shown as a separate item and is not included in the vote's appropriated total.

## Goods and services expenditure trends and estimates

**Table 15.5 Vote goods and services expenditure trends and estimates**

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Administrative fees	231	1 024	1 084	1 127	69.6%	0.2%	1 338	114 535	1 504	10.1%	5.1%
Advertising	2 705	3 175	5 105	3 592	9.9%	1.1%	4 238	4 437	4 687	9.3%	0.7%
Minor assets	667	2 725	1 867	5 269	99.2%	0.8%	2 152	2 221	2 405	-23.0%	0.5%
Audit costs: External	8 101	9 525	11 181	15 245	23.5%	3.2%	19 924	21 288	22 684	14.2%	3.4%

Table 15.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Bursaries: Employees	376	2 529	272	308	-6.4%	0.3%	799	843	875	41.6%	0.1%
Catering: Departmental activities	1 501	2 138	3 551	1 247	-6.0%	0.6%	4 864	5 410	6 087	69.6%	0.8%
Communication	13 454	8 264	8 761	11 577	-4.9%	3.0%	13 243	18 819	19 485	19.0%	2.7%
Computer services	38 193	65 030	85 136	47 733	7.7%	17.0%	53 987	76 610	89 418	23.3%	11.5%
Consultants: Business and advisory services	1 729	4 026	3 284	15 297	106.8%	1.8%	8 436	8 890	9 326	-15.2%	1.8%
Legal services	3 236	1 972	9 405	5 287	17.8%	1.4%	5 029	5 303	5 598	1.9%	0.9%
Contractors	1 338	12 075	2 167	390	-33.7%	1.2%	302	341	358	-2.8%	0.1%
Agency and support/outsourced services	4 432	17 061	14 597	2 316	-19.5%	2.8%	906	940	986	-24.8%	0.2%
Entertainment	62	52	38	106	19.6%	-	113	119	126	5.9%	-
Fleet services (including government motor transport)	974	1 287	1 111	1 268	9.2%	0.3%	2 254	1 947	2 025	16.9%	0.3%
Inventory: Clothing material and accessories	100	-	-	125	7.7%	-	370	192	211	19.1%	-
Inventory: Farming supplies	33	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Food and food supplies	366	-	74	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	11	-	-	413	234.9%	-	212	272	285	-11.6%	0.1%
Inventory: Materials and supplies	2 991	-	2 080	2 821	-1.9%	0.6%	4 189	4 019	4 213	14.3%	0.7%
Inventory: Medical supplies	-	-	-	-	-	-	20	25	23	-	-
Inventory: Other supplies	2	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	2 164	6 345	3 032	4 004	22.8%	1.1%	4 887	11 369	11 068	40.3%	1.3%
Consumables: Stationery, printing and office supplies	13 931	35 931	30 391	63 317	65.6%	10.3%	46 516	57 732	60 589	-1.5%	9.8%
Operating leases	10 640	3 347	5 256	9 287	-4.4%	2.1%	13 421	24 188	29 920	47.7%	3.3%
Rental and hiring	112	1 220	101	3 855	225.3%	0.4%	3 765	3 895	4 062	1.8%	0.7%
Property payments	36 891	70 070	59 100	60 736	18.1%	16.3%	69 230	72 867	76 509	8.0%	12.0%
Transport provided: Departmental activity	82	1 234	5 329	3 550	251.1%	0.7%	2 459	2 765	3 499	-0.5%	0.5%
Travel and subsistence	106 493	88 619	84 373	91 252	-5.0%	26.7%	109 029	216 537	325 315	52.8%	31.9%
Training and development	5 515	2 446	2 536	16 231	43.3%	1.9%	48 089	50 890	53 343	48.7%	7.2%
Operating payments	4 971	14 651	15 636	12 437	35.8%	3.4%	12 990	24 716	35 161	41.4%	3.7%
Venues and facilities	7 044	10 158	11 100	8 547	6.7%	2.7%	1 765	1 854	3 466	-26.0%	0.7%
<b>Total</b>	<b>268 345</b>	<b>364 904</b>	<b>366 567</b>	<b>387 337</b>	<b>13.0%</b>	<b>100.0%</b>	<b>434 527</b>	<b>733 024</b>	<b>773 228</b>	<b>25.9%</b>	<b>100.0%</b>

## Transfers and subsidies expenditure trends and estimates

Table 15.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>221</b>	<b>5 316</b>	<b>17 968</b>	<b>7 996</b>	<b>230.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Employee social benefits	221	5 316	17 968	7 987	230.6%	-	-	-	-	-100.0%	-
Education, Training and Development Practices Sector Education and Training Authority	-	-	-	9	-	-	-	-	-	-100.0%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>20 124 503</b>	<b>21 839 389</b>	<b>26 819 212</b>	<b>26 172 369</b>	<b>9.2%</b>	<b>45.0%</b>	<b>37 532 974</b>	<b>49 413 225</b>	<b>55 440 766</b>	<b>28.4%</b>	<b>48.9%</b>
Employee social benefits	-	357	593	-	-	-	-	-	-	-	-
Public Service Sector Education and Training Authority	26 009	93 843	55 737	103 760	58.6%	0.1%	106 425	112 304	118 516	4.5%	0.1%
Education, Training and Development Practices Sector Education and Training Authority	-	22 781	16 238	15 158	-	-	17 949	18 957	19 991	9.7%	-
National Student Financial Aid Scheme	6 138 832	6 448 551	11 392 674	10 143 091	18.2%	16.2%	20 334 391	30 829 474	35 321 406	51.6%	28.0%
Council on Higher Education	42 689	40 819	40 928	47 946	3.9%	0.1%	50 727	53 568	56 514	5.6%	0.1%
South African Qualifications Authority	55 008	54 757	56 895	64 940	5.7%	0.1%	66 719	70 473	74 349	4.6%	0.1%
Quality Council for Trades and Occupations	23 167	21 848	23 138	26 920	5.1%	-	27 380	28 977	30 535	4.3%	-
Sector education and training authorities	11 071 025	12 125 894	12 199 864	12 616 443	4.5%	22.8%	13 543 507	14 639 578	15 855 565	7.9%	16.4%
National Skills Fund	2 767 773	3 030 539	3 033 145	3 154 111	4.5%	5.7%	3 385 876	3 659 894	3 963 890	7.9%	4.1%

**Table 15.6 Vote transfers and subsidies trends and estimates**

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
<b>Non-profit institutions</b>											
<b>Current</b>	<b>1 155 492</b>	<b>1 362 040</b>	<b>1 672 972</b>	<b>1 634 551</b>	<b>12.3%</b>	<b>2.8%</b>	<b>4 454 218</b>	<b>5 903 526</b>	<b>6 979 389</b>	<b>62.2%</b>	<b>5.5%</b>
Universities South Africa	7 420	7 761	8 172	8 581	5.0%	-	17 919	18 781	19 813	32.2%	-
Technical and Vocational Education and Training colleges	1 148 072	1 262 521	1 566 747	1 495 749	9.2%	2.6%	4 287 538	5 768 665	6 837 112	66.0%	5.3%
Community Education and Training colleges	-	91 758	98 053	103 898	-	0.1%	109 924	116 080	122 464	5.6%	0.1%
National Institute for the Humanities and Social Sciences	-	-	-	26 323	-	-	38 837	-	-	-100.0%	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	-	-	-	75	-	-	-	-	-	-100.0%	-
Employee social benefits	-	-	-	75	-	-	-	-	-	-100.0%	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>2 983</b>	<b>2 588</b>	<b>2 648</b>	<b>3 489</b>	<b>5.4%</b>	<b>-</b>	<b>3 691</b>	<b>3 898</b>	<b>4 112</b>	<b>5.6%</b>	<b>-</b>
India-Brazil-South Africa Trilateral Commission	551	-	-	553	0.1%	-	585	618	652	5.6%	-
Commonwealth of Learning	2 432	2 588	2 648	2 936	6.5%	-	3 106	3 280	3 460	5.6%	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>21 482 293</b>	<b>22 991 096</b>	<b>24 563 055</b>	<b>28 056 486</b>	<b>9.3%</b>	<b>46.0%</b>	<b>34 866 933</b>	<b>38 351 285</b>	<b>41 018 870</b>	<b>13.5%</b>	<b>41.2%</b>
University subsidies	21 323 293	22 790 082	24 272 626	27 695 750	9.1%	45.6%	34 311 340	37 671 160	40 225 237	13.2%	40.5%
University of Mpumalanga	102 345	58 111	186 585	212 611	27.6%	0.3%	324 398	375 841	440 498	27.5%	0.4%
Sol Plaatje University	56 655	142 903	103 844	148 125	37.8%	0.2%	231 195	304 284	353 135	33.6%	0.3%
<b>Capital</b>	<b>2 713 000</b>	<b>3 305 978</b>	<b>3 401 505</b>	<b>3 524 032</b>	<b>9.1%</b>	<b>6.1%</b>	<b>3 692 089</b>	<b>3 886 606</b>	<b>4 083 355</b>	<b>5.0%</b>	<b>4.4%</b>
University subsidies	2 213 000	1 985 978	2 348 505	2 545 550	4.8%	4.3%	2 691 547	2 842 241	2 981 550	5.4%	3.2%
University of the Witwatersrand:	500 000	1 320 000	-	-	-100.0%	0.9%	-	-	-	-	-
University of Mpumalanga and Sol Plaatje University	-	-	673 920	624 552	-	0.6%	638 508	665 948	700 570	3.9%	0.8%
University of Mpumalanga	-	-	379 080	353 930	-	0.3%	362 034	378 417	401 235	4.3%	0.4%
Sol Plaatje University	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>45 478 492</b>	<b>49 506 407</b>	<b>56 477 360</b>	<b>59 398 998</b>	<b>9.3%</b>	<b>100.0%</b>	<b>80 549 905</b>	<b>97 558 540</b>	<b>107 526 492</b>	<b>21.9%</b>	<b>100.0%</b>

## Personnel information

**Table 15.7 Vote personnel numbers and cost by salary level and programme<sup>1</sup>**

Programmes																			
1. Administration																			
2. Planning, Policy and Strategy																			
3. University Education																			
4. Technical and Vocational Education and Training																			
5. Skills Development																			
6. Community Education and Training																			
	Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> 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 (%)	Average: Salary level/Total (%)			
			2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
<b>Higher Education and Training</b>	<b>36 898</b>	<b>151</b>	<b>32 711</b>	<b>7 516.6</b>	<b>0.2</b>	<b>33 391</b>	<b>8 282.3</b>	<b>0.2</b>	<b>33 458</b>	<b>8 957.0</b>	<b>0.3</b>	<b>33 464</b>	<b>9 637.7</b>	<b>0.3</b>	<b>33 357</b>	<b>0 360.5</b>	<b>0.3</b>	<b>-0.0%</b>	<b>100.0%</b>
Salary level																			
1 - 6	9 666	-	9 168	1 900.4	0.2	9 561	2 156.8	0.2	9 579	2 330.6	0.2	9 579	2 516.8	0.3	9 480	2 687.8	0.3	-0.3%	28.6%
7 - 10	9 353	1	9 149	3 414.4	0.4	9 332	3 780.6	0.4	9 346	4 084.9	0.4	9 346	4 411.3	0.5	9 346	4 763.9	0.5	0.0%	28.0%
11 - 12	628	-	559	408.3	0.7	613	501.6	0.8	624	550.8	0.9	624	594.9	1.0	624	642.4	1.0	0.6%	1.9%
13 - 16	189	-	149	158.0	1.1	175	199.7	1.1	187	228.0	1.2	187	243.9	1.3	187	260.9	1.4	2.2%	0.6%
Other	17 062	150	13 686	1 635.4	0.1	13 710	1 643.6	0.1	13 722	1 762.7	0.1	13 728	1 870.8	0.1	13 720	2 005.5	0.1	0.0%	41.1%
<b>Programme</b>	<b>36 898</b>	<b>151</b>	<b>32 711</b>	<b>7 516.6</b>	<b>0.2</b>	<b>33 391</b>	<b>8 282.3</b>	<b>0.2</b>	<b>33 458</b>	<b>8 957.0</b>	<b>0.3</b>	<b>33 464</b>	<b>9 637.7</b>	<b>0.3</b>	<b>33 357</b>	<b>0 360.5</b>	<b>0.3</b>	<b>-0.0%</b>	<b>100.0%</b>
Programme 1	535	74	495	196.8	0.4	528	219.2	0.4	552	248.0	0.4	553	267.4	0.5	545	287.5	0.5	1.1%	1.6%
Programme 2	93	22	85	44.4	0.5	106	54.8	0.5	125	65.9	0.5	127	71.0	0.6	127	76.5	0.6	6.2%	0.4%
Programme 3	102	5	77	45.9	0.6	83	53.4	0.6	101	72.1	0.7	104	77.9	0.7	104	83.9	0.8	7.8%	0.3%
Programme 4	17 127	33	16 552	5 289.3	0.3	17 077	5 822.5	0.3	17 077	6 276.2	0.4	17 077	6 753.4	0.4	16 978	7 263.1	0.4	-0.2%	51.0%
Programme 5	292	13	250	89.6	0.4	266	102.7	0.4	272	111.7	0.4	272	120.5	0.4	272	130.1	0.5	0.7%	0.8%
Programme 6	18 749	4	15 252	1 850.6	0.1	15 331	2 029.8	0.1	15 331	2 183.0	0.1	15 331	2 347.5	0.2	15 331	2 519.5	0.2	-	45.9%

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



## Departmental receipts

Table 15.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
<b>Departmental receipts</b>	<b>11 594</b>	<b>15 444</b>	<b>25 549</b>	<b>29 065</b>	<b>29 065</b>	<b>35.8%</b>	<b>100.0%</b>	<b>15 864</b>	<b>16 217</b>	<b>16 324</b>	<b>-17.5%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>5 634</b>	<b>8 983</b>	<b>10 218</b>	<b>10 251</b>	<b>10 251</b>	<b>22.1%</b>	<b>43.0%</b>	<b>11 290</b>	<b>11 851</b>	<b>12 138</b>	<b>5.8%</b>	<b>58.8%</b>
Sales by market establishments of which:	404	3 534	4 459	4 042	4 042	115.5%	15.2%	4 780	5 019	5 270	9.2%	24.7%
Academic services: Temporary accommodation	223	218	212	214	214	-1.4%	1.1%	307	322	338	16.5%	1.5%
Sale of assets less than R5 000	–	–	–	13	13	–	–	14	15	16	7.2%	0.1%
Commission	181	3 316	4 247	3 815	3 815	176.2%	14.2%	4 459	4 682	4 916	8.8%	23.1%
Administrative fees of which:	4 465	4 657	4 989	5 381	5 381	6.4%	23.9%	5 567	5 846	5 838	2.8%	29.2%
Exams	1 557	2 338	2 438	1 365	1 365	-4.3%	9.4%	2 560	2 688	2 522	22.7%	11.8%
Trade test fee	2 767	2 270	2 119	2 752	2 752	-0.2%	12.1%	2 744	2 881	3 025	3.2%	14.7%
Universities	90	49	48	476	476	74.2%	0.8%	50	53	56	-51.0%	0.8%
Further education and training	3	–	12	788	788	540.4%	1.0%	213	224	235	-33.2%	1.9%
Sports and club facilities/ Sale of tender documents	48	–	372	–	–	-100.0%	0.5%	–	–	–	–	–
Other sales of which:	765	792	770	828	828	2.7%	3.9%	943	986	1 030	7.5%	4.9%
Boarding fees	134	122	67	124	124	-2.6%	0.5%	151	159	167	10.4%	0.8%
Parking	21	67	100	98	98	67.1%	0.4%	100	100	100	0.7%	0.5%
Sale of meals and refreshments	201	195	183	186	186	-2.6%	0.9%	192	202	212	4.5%	1.0%
Rental	409	408	420	420	420	0.9%	2.0%	500	525	551	9.5%	2.6%
Sales of scrap, waste, arms and other used current goods of which:	17	15	44	158	158	110.3%	0.3%	37	39	41	-36.2%	0.4%
Waste paper	17	15	44	158	158	110.3%	0.3%	37	39	41	-36.2%	0.4%
<b>Interest, dividends and rent on land</b>	<b>3 343</b>	<b>3 791</b>	<b>3 433</b>	<b>4 426</b>	<b>4 426</b>	<b>9.8%</b>	<b>18.4%</b>	<b>3 124</b>	<b>2 843</b>	<b>2 587</b>	<b>-16.4%</b>	<b>16.8%</b>
Interest	3 343	3 791	3 433	4 426	4 426	9.8%	18.4%	3 124	2 843	2 587	-16.4%	16.8%
Sales of capital assets	15	172	–	–	–	-100.0%	0.2%	–	–	–	–	–
Transactions in financial assets and liabilities	2 585	2 483	11 854	14 230	14 230	76.6%	38.2%	1 413	1 484	1 558	-52.2%	24.1%
<b>Total</b>	<b>11 594</b>	<b>15 444</b>	<b>25 549</b>	<b>29 065</b>	<b>29 065</b>	<b>35.8%</b>	<b>100.0%</b>	<b>15 864</b>	<b>16 217</b>	<b>16 324</b>	<b>-17.5%</b>	<b>100.0%</b>

## Programme 1: Administration

### Programme purpose

Provide strategic leadership, management and support services to the department.

### Expenditure trends and estimates

Table 15.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	32.4	39.7	39.6	34.9	2.5%	10.8%	38.9	41.4	45.8	9.5%	9.0%
Department Management	38.4	51.2	56.3	45.8	6.0%	14.2%	52.0	55.8	59.8	9.3%	11.9%
Corporate Services	80.2	126.4	143.1	162.4	26.5%	37.8%	168.7	180.6	192.4	5.8%	39.4%
Office of the Chief Financial Officer	40.5	55.7	66.4	83.7	27.4%	18.2%	91.2	98.1	104.9	7.8%	21.1%
Internal Audit	6.1	6.7	9.0	9.9	17.6%	2.3%	13.6	14.5	15.5	16.3%	3.0%
Office Accommodation	36.5	67.2	58.3	63.7	20.4%	16.7%	67.9	71.7	75.3	5.7%	15.6%
<b>Total</b>	<b>234.1</b>	<b>346.8</b>	<b>372.7</b>	<b>400.4</b>	<b>19.6%</b>	<b>100.0%</b>	<b>432.3</b>	<b>462.1</b>	<b>493.7</b>	<b>7.2%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				(3.0)			(8.7)	(9.4)	(9.1)		

**Table 15.9 Administration expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15	2017/18	2018/19	2019/20		
R million											
<b>Current payments</b>	<b>230.6</b>	<b>338.1</b>	<b>366.8</b>	<b>394.9</b>	<b>19.6%</b>	<b>98.3%</b>	<b>427.8</b>	<b>457.4</b>	<b>488.7</b>	<b>7.4%</b>	<b>98.9%</b>
Compensation of employees	121.9	161.7	196.8	219.2	21.6%	51.7%	248.0	267.4	287.5	9.5%	57.1%
Goods and services <sup>1</sup>	108.7	176.5	170.0	175.7	17.4%	46.6%	179.7	190.0	201.1	4.6%	41.7%
<i>of which:</i>											
<i>Audit costs: External</i>	8.1	9.5	11.2	15.2	23.5%	3.3%	15.4	16.3	17.2	4.1%	3.6%
<i>Computer services</i>	22.4	30.6	25.4	33.1	13.9%	8.2%	37.3	39.1	40.9	7.4%	8.4%
<i>Consultants: Business and advisory services</i>	1.1	1.2	0.7	13.0	126.8%	1.2%	7.4	7.8	8.2	-14.2%	2.0%
<i>Consumables: Stationery, printing and office supplies</i>	3.4	5.8	5.8	6.3	23.6%	1.6%	6.9	7.2	7.7	6.5%	1.6%
<i>Property payments</i>	36.1	67.7	58.8	60.4	18.7%	16.5%	68.3	71.9	75.5	7.7%	15.4%
<i>Travel and subsistence</i>	19.0	18.0	20.5	14.5	-8.6%	5.3%	17.6	18.1	19.1	9.6%	3.9%
<b>Transfers and subsidies<sup>1</sup></b>	<b>0.1</b>	<b>0.2</b>	<b>0.9</b>	<b>0.2</b>	<b>17.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Departmental agencies and accounts	-	0.2	0.4	-	-	-	-	-	-	-	-
Households	0.1	0.1	0.5	0.2	17.0%	0.1%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>3.4</b>	<b>8.2</b>	<b>5.0</b>	<b>5.3</b>	<b>16.3%</b>	<b>1.6%</b>	<b>4.5</b>	<b>4.8</b>	<b>5.0</b>	<b>-1.9%</b>	<b>1.1%</b>
Machinery and equipment	3.4	8.1	5.0	3.6	2.1%	1.5%	4.3	4.6	4.9	11.0%	1.0%
Software and other intangible assets	-	0.1	0.1	1.7	-	0.1%	0.2	0.2	0.1	-61.3%	0.1%
<b>Payments for financial assets</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>234.1</b>	<b>346.8</b>	<b>372.7</b>	<b>400.4</b>	<b>19.6%</b>	<b>100.0%</b>	<b>432.3</b>	<b>462.1</b>	<b>493.7</b>	<b>7.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.6%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>-</b>	<b>-</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Programme 2: Planning, Policy and Strategy

### Programme purpose

Provide strategic direction in the development, implementation and monitoring of departmental policies and in the human resource development strategy for South Africa.

### Objectives

- Ensure a sound post-school education and training system through the development of a new and the revision of an existing piece of legislation, policy and regulation by March 2021.
- Ensure effective oversight of the implementation of the post-school education and training system by producing 4 oversight reports on articulation, open learning, international relations, and macro trends on post-school education and training over the medium term.
- Improve access to quality teaching and learning in the post-school education and training system by implementing approved appropriate teaching and learning support plans over the medium term.
- Promote the success of students within the post-school education and training system by developing a student support plan by March 2019 and ensuring its implementation over the medium term.
- Ensure effective policy development and planning by providing management information and statistics on the performance of post-school education and training annually.

### Subprogrammes

- *Programme Management: Planning, Policy and Strategy* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Human Resource Development, Strategic Planning and Coordination* provides strategic direction in the development, implementation and monitoring of departmental policies; and coordinates activities in relation to the national human resource development strategy.
- *Planning, Information, Monitoring and Evaluation Coordination* monitors and evaluates the 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.

- *International Relations* develops and promotes international relations; supports the United Nations Educational, Scientific and Cultural Organisation in the higher education sub-system; and manages, monitors and reports on international donor grant funding.
- *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.
- *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 these policies.

## Expenditure trends and estimates

**Table 15.10 Planning, Policy and Strategy expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R million											
Programme Management: Planning, Policy and Strategy	2.9	3.2	2.2	2.7	-2.4%	5.0%	3.4	3.6	3.9	12.3%	4.1%
Human Resource Development, Strategic Planning and Coordination	11.6	14.8	15.8	17.8	15.4%	26.9%	20.8	22.2	23.7	10.0%	25.7%
Planning, Information, Monitoring and Evaluation Coordination	6.9	10.7	9.9	13.4	24.9%	18.3%	16.3	17.9	19.2	12.8%	20.3%
International Relations	10.8	11.2	12.0	13.3	7.4%	21.2%	14.5	15.5	18.1	10.8%	18.7%
Legal and Legislative Services	9.4	7.5	11.9	14.9	16.7%	19.6%	18.8	20.1	21.6	13.2%	23.0%
Social Inclusion in Education	4.2	4.6	5.1	6.2	14.1%	9.0%	6.4	6.9	7.4	6.2%	8.1%
<b>Total</b>	<b>45.7</b>	<b>52.0</b>	<b>56.8</b>	<b>68.3</b>	<b>14.3%</b>	<b>100.0%</b>	<b>80.2</b>	<b>86.1</b>	<b>93.9</b>	<b>11.2%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				(5.0)			0.5	0.4	2.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>42.5</b>	<b>49.1</b>	<b>53.7</b>	<b>64.2</b>	<b>14.8%</b>	<b>94.0%</b>	<b>76.0</b>	<b>81.9</b>	<b>89.4</b>	<b>11.7%</b>	<b>94.9%</b>
Compensation of employees	34.6	42.5	44.4	54.8	16.5%	79.1%	65.9	71.0	76.5	11.7%	81.6%
Goods and services <sup>1</sup>	7.8	6.7	9.3	9.4	6.3%	14.9%	10.2	10.8	12.9	11.2%	13.2%
of which:											
Communication	0.8	0.8	0.7	0.7	-4.5%	1.3%	0.7	0.8	0.9	9.7%	0.9%
Computer services	0.1	0.1	0.0	0.3	46.2%	0.3%	0.5	0.5	0.5	17.0%	0.5%
Legal services	3.2	1.0	3.7	4.0	7.0%	5.3%	4.5	4.7	5.0	7.8%	5.5%
Consumables: Stationery, printing and office supplies	0.2	0.9	0.7	0.9	57.5%	1.2%	0.8	1.0	1.0	2.2%	1.1%
Travel and subsistence	2.1	2.8	3.0	2.5	6.6%	4.6%	2.7	2.9	4.3	20.4%	3.8%
Operating payments	0.2	0.2	0.4	0.1	-18.9%	0.4%	0.4	0.4	0.5	61.0%	0.4%
<b>Transfers and subsidies<sup>1</sup></b>	<b>3.0</b>	<b>2.6</b>	<b>2.7</b>	<b>3.5</b>	<b>5.6%</b>	<b>5.3%</b>	<b>3.7</b>	<b>3.9</b>	<b>4.1</b>	<b>5.4%</b>	<b>4.6%</b>
Foreign governments and international organisations	3.0	2.6	2.6	3.5	5.4%	5.3%	3.7	3.9	4.1	5.6%	4.6%
Households	0.0	0.0	0.1	0.0	175.9%	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>	<b>33.5%</b>	<b>0.7%</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>-13.9%</b>	<b>0.5%</b>
Machinery and equipment	0.2	0.2	0.4	0.6	33.5%	0.7%	0.4	0.3	0.4	-13.9%	0.5%
<b>Total</b>	<b>45.7</b>	<b>52.0</b>	<b>56.8</b>	<b>68.3</b>	<b>14.3%</b>	<b>100.0%</b>	<b>80.2</b>	<b>86.1</b>	<b>93.9</b>	<b>11.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	-	-	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	-	-
<b>Details of selected transfers and subsidies</b>											
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>3.0</b>	<b>2.6</b>	<b>2.6</b>	<b>3.5</b>	<b>5.4%</b>	<b>5.3%</b>	<b>3.7</b>	<b>3.9</b>	<b>4.1</b>	<b>5.6%</b>	<b>4.6%</b>
India-Brazil-South Africa Trilateral Commission	0.6	-	-	0.6	0.1%	0.5%	0.6	0.6	0.7	5.6%	0.7%
Commonwealth of Learning	2.4	2.6	2.6	2.9	6.5%	4.8%	3.1	3.3	3.5	5.6%	3.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Programme 3: University Education

### Programme purpose

Develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. Provide financial and other support to universities, the National Student Financial Aid Scheme and national institutes for higher education.

### Objectives

- Ensure a sound post-school education and training system through the implementation of approved legislation, regulations and policies for university education over the medium term.
- Ensure the implementation of previously approved integrated plans for improved collaboration within the post-school education and training sub-systems by March 2021.
- Ensure effectual monitoring and evaluation of the university education sector by producing 14 annual oversight reports on:
  - the higher education and training HIV and AIDS programme
  - the financial health of universities
  - the effective use of the infrastructure and efficiency grants earmarked for universities, the foundation provision grant, and research outputs
  - ministerial enrolment targets, institutional governance, the international scholarships programme, the compliance of public higher education institutions with regulations, and student leadership capacity
  - academic forums and think-tank partnerships within the Brazil-Russia-India-China-South Africa (BRICS) group of countries, the university capacity development programme, and the teaching and learning development capacity improvement plan.
- Provide teaching and learning support services by implementing previously developed teaching and learning support plans for university education, aimed at improving access to quality teaching and learning in higher education institutions, by March 2021.
- Provide student support services for higher education institutions through the implementation of the student support services plan for university education by March 2021, to promote the success of students within the post-school education and training system.
- Ensure effective policy development and planning by providing management information and statistics on the performance of higher education institutions annually.
- Ensure a strong university education stakeholder network through the operationalisation of the BRICS think-tank and participative academic forum by March 2021 in support of the effective collaboration of stakeholders within the post-school education and training system.

### Subprogrammes

- *Programme Management: University Education* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions for the programme.
- *University Planning and Institutional Funding* manages planning and funding for the public higher education sector.
- *Institutional Governance and Management Support* monitors and supports institutional governance management, and provides sector liaison services.
- *Higher Education Policy Development and Research* develops higher education policy, supports research and regulates the private higher education system.
- *Teaching and Learning Development* promotes, develops, monitors and evaluates the implementation of qualification policies, programmes and systems for the development of high quality teaching across all education sectors, including pre-schooling, schooling and post-schooling; and ensures effective teaching and learning development in universities.
- *University Subsidies* transfers payments to universities annually.

## Expenditure trends and estimates

Table 15.11 University Education expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management: University Education	2.0	3.9	4.3	4.6	32.7%	–	6.4	6.7	7.3	16.7%	–
University Planning and Institutional Funding	12.7	14.5	14.3	11.7	-2.7%	–	17.4	18.4	19.8	19.3%	–
Institutional Governance and Management Support	6 246.7	6 555.3	11 503.5	10 273.4	18.0%	23.9%	20 471.6	30 975.0	35 475.4	51.1%	38.1%
Higher Education Policy Development and Research	17.0	17.6	19.0	22.0	8.9%	0.1%	33.4	35.4	37.7	19.7%	0.1%
Teaching and Learning Development	10.5	10.2	10.0	13.2	7.9%	–	20.5	22.3	23.8	21.8%	–
University Subsidies	24 195.3	26 297.1	27 964.6	31 606.8	9.3%	76.0%	38 597.9	42 237.9	45 102.2	12.6%	61.8%
<b>Total</b>	<b>30 484.2</b>	<b>32 898.6</b>	<b>39 515.7</b>	<b>41 931.7</b>	<b>11.2%</b>	<b>100.0%</b>	<b>59 147.1</b>	<b>73 295.7</b>	<b>80 666.2</b>	<b>24.4%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				(11.8)			9 648.5	20 951.3	24 172.9		
<b>Economic classification</b>	<b>44.6</b>	<b>49.4</b>	<b>52.1</b>	<b>60.0</b>	<b>10.3%</b>	<b>0.1%</b>	<b>79.1</b>	<b>85.1</b>	<b>91.5</b>	<b>15.1%</b>	<b>0.1%</b>
<b>Current payments</b>											
Compensation of employees	39.1	43.5	45.9	53.4	11.0%	0.1%	72.1	77.9	83.9	16.2%	0.1%
Goods and services <sup>1</sup>	5.5	5.9	6.2	6.6	5.7%	–	6.9	7.2	7.6	5.2%	–
<i>of which:</i>											
Communication	0.5	0.6	0.6	0.4	-6.8%	–	0.6	0.6	0.6	12.6%	–
Computer services	0.2	0.3	0.1	0.8	60.2%	–	0.8	0.8	0.9	4.9%	–
Consumables: Stationery, printing and office supplies	0.2	0.5	0.4	0.7	38.0%	–	0.6	0.7	0.7	2.0%	–
Travel and subsistence	3.7	3.7	4.2	3.2	-4.7%	–	3.4	3.7	4.0	8.4%	–
Operating payments	0.3	0.2	0.2	0.2	-8.6%	–	0.2	0.2	0.2	1.2%	–
Venues and facilities	0.1	0.3	0.3	0.5	95.3%	–	0.4	0.4	0.4	-6.9%	–
<b>Transfers and subsidies<sup>1</sup></b>	<b>30 439.2</b>	<b>32 849.0</b>	<b>39 463.3</b>	<b>41 871.4</b>	<b>11.2%</b>	<b>99.9%</b>	<b>59 067.6</b>	<b>73 210.2</b>	<b>80 574.3</b>	<b>24.4%</b>	<b>99.9%</b>
Departmental agencies and accounts	6 236.5	6 544.2	11 490.5	10 256.0	18.0%	23.8%	20 451.8	30 953.5	35 452.3	51.2%	38.1%
Higher education institutions	24 195.3	26 297.1	27 964.6	31 580.5	9.3%	76.0%	38 559.0	42 237.9	45 102.2	12.6%	61.7%
Non-profit institutions	7.4	7.8	8.2	34.9	67.6%	–	56.8	18.8	19.8	-17.2%	0.1%
Households	–	0.0	0.1	–	–	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>9.4%</b>	<b>–</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>5.7%</b>	<b>–</b>
Machinery and equipment	0.3	0.2	0.3	0.4	9.4%	–	0.4	0.4	0.4	5.7%	–
<b>Total</b>	<b>30 484.2</b>	<b>32 898.6</b>	<b>39 515.7</b>	<b>41 931.7</b>	<b>11.2%</b>	<b>100.0%</b>	<b>59 147.1</b>	<b>73 295.7</b>	<b>80 666.2</b>	<b>24.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>78.1%</b>	<b>78.4%</b>	<b>80.4%</b>	<b>80.2%</b>	<b>–</b>	<b>–</b>	<b>81.0%</b>	<b>81.8%</b>	<b>81.6%</b>	<b>–</b>	<b>–</b>
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>6 236.5</b>	<b>6 544.1</b>	<b>11 490.5</b>	<b>10 256.0</b>	<b>18.0%</b>	<b>23.8%</b>	<b>20 451.8</b>	<b>30 953.5</b>	<b>35 452.3</b>	<b>51.2%</b>	<b>38.1%</b>
National Student Financial Aid Scheme	6 138.8	6 448.6	11 392.7	10 143.1	18.2%	23.6%	20 334.4	30 829.5	35 321.4	51.6%	37.9%
Council on Higher Education	42.7	40.8	40.9	47.9	3.9%	0.1%	50.7	53.6	56.5	5.6%	0.1%
South African Qualifications Authority	55.0	54.8	56.9	64.9	5.7%	0.2%	66.7	70.5	74.3	4.6%	0.1%
<b>Non-profit institutions</b>	<b>7.4</b>	<b>7.8</b>	<b>8.2</b>	<b>34.9</b>	<b>67.6%</b>	<b>–</b>	<b>56.8</b>	<b>18.8</b>	<b>19.8</b>	<b>-17.2%</b>	<b>0.1%</b>
Universities South Africa	7.4	7.8	8.2	8.6	5.0%	–	17.9	18.8	19.8	32.2%	–
National Institute for the Humanities and Social Sciences	–	–	–	26.3	–	–	38.8	–	–	-100.0%	–
<b>Higher education institutions</b>	<b>21 482.3</b>	<b>22 991.1</b>	<b>24 563.1</b>	<b>28 056.5</b>	<b>9.3%</b>	<b>67.0%</b>	<b>34 866.9</b>	<b>38 351.3</b>	<b>41 018.9</b>	<b>13.5%</b>	<b>55.8%</b>
<b>Current</b>	<b>21 323.3</b>	<b>22 790.1</b>	<b>24 272.6</b>	<b>27 695.8</b>	<b>9.1%</b>	<b>66.3%</b>	<b>34 311.3</b>	<b>37 671.2</b>	<b>40 225.2</b>	<b>13.2%</b>	<b>54.9%</b>
University subsidies	102.3	58.1	186.6	212.6	27.6%	0.4%	324.4	375.8	440.5	27.5%	0.5%
University of Mpumalanga	56.7	142.9	103.8	148.1	37.8%	0.3%	231.2	304.3	353.1	33.6%	0.4%
Sol Plaatje University	–	–	–	–	–	–	–	–	–	–	–
<b>Capital</b>	<b>2 713.0</b>	<b>3 306.0</b>	<b>3 401.5</b>	<b>3 524.0</b>	<b>9.1%</b>	<b>8.9%</b>	<b>3 692.1</b>	<b>3 886.6</b>	<b>4 083.4</b>	<b>5.0%</b>	<b>6.0%</b>
University subsidies	2 213.0	1 986.0	2 348.5	2 545.6	4.8%	6.3%	2 691.5	2 842.2	2 981.6	5.4%	4.3%
University of the Witwatersrand: University of Mpumalanga and Sol Plaatje University	500.0	1 320.0	–	–	-100.0%	1.3%	–	–	–	–	–
University of Mpumalanga	–	–	673.9	624.6	–	0.9%	638.5	665.9	700.6	3.9%	1.0%
Sol Plaatje University	–	–	379.1	353.9	–	0.5%	362.0	378.4	401.2	4.3%	0.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Programme 4: Technical and Vocational Education and Training

## Programme purpose

Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for technical and vocational education and training.

## Objectives

- Ensure a sound post-school education and training system through the implementation of TVET legislation, regulations and policies by March 2021.
- Ensure effectual monitoring and evaluation of the TVET sector by producing 28 annual oversight reports over the medium term on:
  - the conduct of public TVET college examination centres during national examinations and assessments
  - the eradication of certification backlogs
  - the implementation of the IT examination services system
  - the performance of students in colleges
  - the compliance of sampled TVET colleges to recommended governance standards
  - the implementation of teaching and learning support plans in colleges, and of the student support services plan.
- Provide TVET teaching and learning support plans aimed at improving access to quality teaching and learning in TVET colleges by implementing previously developed TVET teaching and learning support plans by March 2021.
- Implement the student support services plan in support of an improved post-school education and training system by March 2021.
- Develop a rollout plan for the construction of 9 TVET college campuses by March 2018, and implement the plan to ensure optimal geographic spread by March 2021.
- Ensure a strong TVET stakeholder network by operationalising the South African Institute for Vocational and Continuing Education and Training unit over the medium term in support of effective collaboration between stakeholders in the post-school education and training system.

## Subprogrammes

- *Programme Management: Technical and Vocational Education and Training* manages the delegated administrative and financial responsibilities of the programme, and coordinates all monitoring and evaluation functions.
- *Technical and Vocational Education and Training System Planning and Institutional Support* provides support to management and councils, monitors and evaluates the performance of the TVET system against set indicators, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support materials, provides leadership for TVET colleges to enter into partnerships for the use of infrastructure and funding resources, and maps out the institutional landscape for the rollout of the TVET college system.
- *Programmes and Qualifications* manages and coordinates curriculum development processes, ensures the development of quality learning and teaching materials, monitors and supports the implementation of curriculum statements and assessment regulations, monitors and supports the development of lecturers, and provides leadership for TVET colleges to diversify their programmes, qualifications and curricula.
- *National Examination and Assessment* administers and manages the conduct of national assessments in TVET and community education and training colleges.
- *Financial Planning* sets up financial management systems; develops the financial management capacity of TVET colleges; manages and determines the fair distribution of funding to TVET colleges in accordance with norms and standards; monitors compliance with supply chain management policy; and ensures the timely submission of audited performance information, annual financial statements, and quarterly and annual reports.

## Expenditure trends and estimates

Table 15.12 Technical and Vocational Education and Training expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2014/15	2015/16	2016/17		2017/18	2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
R million												
Programme Management: Technical and Vocational Education and Training	9.1	6.2	4.6	5.6	-15.1%	0.1%	3.6	3.8	4.1	-9.7%	-	
Technical and Vocational Education and Training System Planning and Institutional Support	6 104.5	6 144.2	6 572.1	7 080.0	5.1%	94.5%	10 396.4	12 453.6	13 903.2	25.2%	95.8%	
Programmes and Qualifications	10.1	11.5	10.9	9.5	-2.0%	0.2%	13.6	14.6	15.7	18.1%	0.1%	
National Examination and Assessment	178.1	439.1	437.5	355.5	25.9%	5.1%	315.6	499.1	650.0	22.3%	4.0%	
Financial Planning	2.7	3.8	4.9	9.7	52.2%	0.1%	10.5	11.3	12.2	8.0%	0.1%	
<b>Total</b>	<b>6 304.5</b>	<b>6 604.8</b>	<b>7 030.0</b>	<b>7 460.2</b>	<b>5.8%</b>	<b>100.0%</b>	<b>10 739.7</b>	<b>12 982.5</b>	<b>14 585.1</b>	<b>25.0%</b>	<b>100.0%</b>	
Change to 2017				51.9			2 710.4	4 378.0	5 372.2			
Budget estimate												
<b>Economic classification</b>												
<b>Current payments</b>	<b>5 155.5</b>	<b>5 263.2</b>	<b>5 434.7</b>	<b>5 944.4</b>	<b>4.9%</b>	<b>79.6%</b>	<b>6 436.5</b>	<b>7 197.1</b>	<b>7 730.2</b>	<b>9.2%</b>	<b>59.7%</b>	
Compensation of employees	5 097.8	5 119.8	5 289.3	5 822.5	4.5%	77.8%	6 276.2	6 753.4	7 263.1	7.6%	57.1%	
Goods and services <sup>1</sup>	57.7	143.4	145.4	121.9	28.3%	1.7%	160.3	443.7	467.1	56.5%	2.6%	
of which:												
Administrative fees	0.0	0.0	0.0	-	-100.0%	-	0.0	113.1	0.0	-	0.2%	
Computer services	15.5	34.0	59.6	13.6	-4.3%	0.4%	15.4	36.3	47.1	51.4%	0.2%	
Consumables: Stationery, printing and office supplies	8.4	26.4	19.9	23.3	40.8%	0.3%	11.2	21.7	22.3	-1.5%	0.2%	
Travel and subsistence	21.5	53.9	41.5	63.6	43.4%	0.7%	73.1	178.4	285.1	64.9%	1.3%	
Training and development	-	0.0	-	-	-	-	35.0	37.0	38.8	-	0.2%	
Operating payments	3.1	11.3	11.2	8.7	41.1%	0.1%	9.3	19.8	30.3	51.6%	0.1%	
<b>Transfers and subsidies<sup>1</sup></b>	<b>1 148.2</b>	<b>1 289.2</b>	<b>1 593.6</b>	<b>1 515.2</b>	<b>9.7%</b>	<b>20.2%</b>	<b>4 302.7</b>	<b>5 784.7</b>	<b>6 854.0</b>	<b>65.4%</b>	<b>40.3%</b>	
Departmental agencies and accounts	-	22.8	13.8	14.4	-	0.2%	15.2	16.0	16.9	5.6%	0.1%	
Non-profit institutions	1 148.1	1 262.5	1 566.7	1 495.7	9.2%	20.0%	4 287.5	5 768.7	6 837.1	66.0%	40.2%	
Households	0.1	3.9	13.1	5.0	242.8%	0.1%	-	-	-	-100.0%	-	
<b>Payments for capital assets</b>	<b>0.8</b>	<b>1.1</b>	<b>1.5</b>	<b>0.7</b>	<b>-6.1%</b>	<b>-</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>11.6%</b>	<b>-</b>	
Machinery and equipment	0.8	1.1	1.5	0.7	-6.1%	-	0.5	0.7	0.9	11.6%	-	
Payments for financial assets	-	51.3	0.1	-	-	0.2%	-	-	-	-	-	
<b>Total</b>	<b>6 304.5</b>	<b>6 604.8</b>	<b>7 030.0</b>	<b>7 460.2</b>	<b>5.8%</b>	<b>100.0%</b>	<b>10 739.7</b>	<b>12 982.5</b>	<b>14 585.1</b>	<b>25.0%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	16.1%	15.7%	14.3%	14.3%	-	-	14.7%	14.5%	14.8%	-	-	
<b>Details of selected transfers and subsidies</b>												
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	-	3.4	13.0	5.0	-	0.1%	-	-	-	-100.0%	-	
Employee social benefits	-	3.4	13.0	5.0	-	0.1%	-	-	-	-100.0%	-	
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	-	22.8	13.7	14.4	-	0.2%	15.2	16.0	16.9	5.6%	0.1%	
Education, Training and Development Practices Sector Education and Training Authority	-	22.8	13.7	14.4	-	0.2%	15.2	16.0	16.9	5.6%	0.1%	
<b>Non-profit institutions</b>												
<b>Current</b>	<b>1 148.1</b>	<b>1 262.5</b>	<b>1 566.7</b>	<b>1 495.7</b>	<b>9.2%</b>	<b>20.0%</b>	<b>4 287.5</b>	<b>5 768.7</b>	<b>6 837.1</b>	<b>66.0%</b>	<b>40.2%</b>	
Technical and vocational education and training colleges	1 148.1	1 262.5	1 566.7	1 495.7	9.2%	20.0%	4 287.5	5 768.7	6 837.1	66.0%	40.2%	

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Programme 5: Skills Development

## Programme purpose

Promote and monitor the national skills development strategy. Develop skills development policies and regulatory frameworks for an effective skills development system.

## Objectives

- Ensure a sound post-school education and training system through the implementation of previously developed legislation, regulations and policies for skills development by March 2021.

- Ensure the effectual monitoring and evaluation of the skills development sector by developing and approving 5 monitoring reports per year over the medium term on the national skills development strategy, and good governance standards by sector education and training authorities.
- Ensure effective artisan development assessment services in support of an improved post-school education and training system over the medium term by providing dates for trade tests to all qualifying applicants, and conducting trade tests within 60 days of application.
- Implement security infrastructure at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments to improve the development of artisans by March 2021.
- Develop and approve a national artisan development information management system in support of sector education and training authority performance monitoring to improve the development of artisans by March 2019.

## Subprogrammes

- *Programme Management: Skills Development* manages delegated administrative and financial responsibilities for the programme, and coordinates all monitoring and evaluation functions.
- *SETA Coordination* supports, monitors and reports on the implementation of the national skills development strategy at 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.
- *National Skills Development Services* manages projects identified in the national skills development strategy, and advises the minister on the national skills development policy and strategy.
- *Quality Development and Promotion* transfers funds to the Quality Council for Trades and Occupations as a contribution to its operations.

## Expenditure trends and estimates

**Table 15.13 Skills Development expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Programme Management: Skills Development	1.4	2.6	1.6	2.8	25.0%	1.1%	3.6	3.8	4.1	14.0%	1.3%
SETA Coordination	101.1	182.7	148.0	207.2	27.0%	82.0%	221.4	236.1	250.8	6.6%	84.1%
National Skills Development Services	6.4	9.0	7.9	12.5	25.3%	4.6%	10.2	10.9	11.6	-2.4%	4.2%
Quality Development and Promotion	23.2	22.5	23.1	26.9	5.1%	12.3%	27.4	29.0	30.5	4.3%	10.5%
<b>Total</b>	<b>132.0</b>	<b>216.7</b>	<b>180.6</b>	<b>249.4</b>	<b>23.6%</b>	<b>100.0%</b>	<b>262.6</b>	<b>279.8</b>	<b>297.0</b>	<b>6.0%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				5.1			(4.2)	(4.5)	(5.4)		
<b>Economic classification</b>	<b>82.4</b>	<b>100.2</b>	<b>100.6</b>	<b>117.8</b>	<b>12.7%</b>	<b>51.5%</b>	<b>127.8</b>	<b>137.5</b>	<b>146.9</b>	<b>7.6%</b>	<b>48.7%</b>
<b>Current payments</b>											
Compensation of employees	71.6	86.6	89.6	102.7	12.8%	45.0%	111.7	120.5	130.1	8.2%	42.7%
Goods and services <sup>1</sup>	10.8	13.6	11.1	15.1	12.0%	6.5%	16.1	17.0	16.8	3.7%	6.0%
of which:											
Communication	1.2	1.3	1.5	1.1	-4.0%	0.7%	1.7	1.6	1.7	17.2%	0.6%
Inventory: Materials and supplies	3.0	–	2.1	2.7	-3.2%	1.0%	4.0	3.9	4.1	14.8%	1.4%
Consumable supplies	0.7	4.7	1.6	1.5	26.3%	1.1%	2.2	2.7	2.2	14.4%	0.8%
Operating leases	0.6	0.7	0.6	0.9	12.6%	0.3%	0.9	0.9	1.0	4.4%	0.3%
Property payments	0.8	0.6	0.3	0.4	-24.6%	0.3%	0.9	0.9	1.0	41.0%	0.3%
Travel and subsistence	2.2	2.3	1.9	2.2	0.8%	1.1%	2.9	3.0	3.2	12.1%	1.0%
<b>Transfers and subsidies<sup>1</sup></b>	<b>49.2</b>	<b>115.8</b>	<b>79.1</b>	<b>130.7</b>	<b>38.5%</b>	<b>48.1%</b>	<b>133.8</b>	<b>141.3</b>	<b>149.1</b>	<b>4.5%</b>	<b>51.0%</b>
Departmental agencies and accounts	49.2	115.8	78.9	130.7	38.5%	48.1%	133.8	141.3	149.1	4.5%	51.0%
Households	–	0.1	0.2	0.1	–	–	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.4</b>	<b>0.9</b>	<b>0.8</b>	<b>24.4%</b>	<b>0.3%</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>8.9%</b>	<b>0.4%</b>
Machinery and equipment	0.4	0.4	0.9	0.8	24.4%	0.3%	1.0	1.0	1.1	8.9%	0.4%
Payments for financial assets	0.0	0.3	0.0	–	-100.0%	–	–	–	–	–	–
<b>Total</b>	<b>132.0</b>	<b>216.7</b>	<b>180.6</b>	<b>249.4</b>	<b>23.6%</b>	<b>100.0%</b>	<b>262.6</b>	<b>279.8</b>	<b>297.0</b>	<b>6.0%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.3%	0.5%	0.4%	0.5%	–	–	0.4%	0.3%	0.3%	–	–



**Table 15.13 Skills Development expenditure trends and estimates by subprogramme and economic classification**

Details of selected transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2017/18				2014/15 - 2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21	
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>49.2</b>	<b>115.7</b>	<b>78.9</b>	<b>130.7</b>	<b>38.5%</b>	<b>48.1%</b>	<b>133.8</b>	<b>141.3</b>	<b>149.1</b>	<b>4.5%</b>	<b>51.0%</b>
Public Service Sector Education and Training Authority	26.0	93.8	55.7	103.8	58.6%	35.9%	106.4	112.3	118.5	4.5%	40.5%
Quality Council for Trades and Occupations	23.2	21.8	23.1	26.9	5.1%	12.2%	27.4	29.0	30.5	4.3%	10.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Programme 6: Community Education and Training

### Programme purpose

Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training.

### Objectives

- Ensure a sound post-school education and training system through the implementation of previously developed legislation, regulations and policies for community education and training colleges by March 2021.
- Ensure effective monitoring and evaluation of the skills development sector by producing 8 annual reports over the medium term on:
  - the implementation of the teaching and learning support framework
  - the performance of the community education and training college sector
  - college partnerships
  - the maintenance of college infrastructure.
- Provide teaching and support to the community education and training sector to improve access to quality teaching and learning in colleges by March 2021.
- Operationalise 9 community education and training colleges to ensure optimal geographic spread by March 2021.

### Subprogrammes

- *Programme Management: Community Education and Training* manages the delegated administrative and financial responsibilities of the programme, and coordinates the monitoring and evaluation function.
- *Community Education and Training Colleges Systems Planning, Institutional Development and Support* provides support to management and councils; monitors and evaluates the performance of the community education and training system; develops regulatory frameworks for the system; manages and monitors the procurement and distribution of learning and teaching support materials; provides leadership for community education and training colleges to enter into partnerships for the use of infrastructure for college site-hosting centres, and funds these partnerships; maps an institutional landscape for the rollout of the community education and training system; and is responsible for the planning and development of community education and training infrastructure.
- *Financial Planning* sets up financial management systems; develops the financial management capacity of community education and training colleges; manages and determines the fair distribution of funding to community education and training colleges in accordance with norms and standards; monitors compliance with supply chain management policy; and ensures the timely submission of audited performance information, annual financial statements, and quarterly and annual reports.
- *Education and Training and Development Support* manages and coordinates curriculum development

processes; ensures the development of quality learning and teaching materials; monitors and supports the implementation of curriculum statements and assessment regulations; monitors and supports the development of lecturers; provides leadership for community education and training colleges to diversify their programmes, qualifications and curricula; and provides leadership for colleges to form partnerships and linkages for programme diversification.

## Expenditure trends and estimates

**Table 15.14 Community Education and Training expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Programme Management: Community Education and Training	–	–	1.5	1.9	–	–	5.2	5.4	5.6	42.6%	0.2%
Community Education and Training Colleges	1 847.2	1 653.2	1 849.5	2 025.9	3.1%	93.9%	2 160.6	2 323.4	2 493.8	7.2%	91.8%
Systems Planning, Institutional Development and Support											
Financial Planning	–	157.2	129.0	166.2	–	5.8%	176.4	186.2	196.1	5.7%	7.4%
Education and Training and Development Support	5.9	14.0	1.8	3.7	-14.7%	0.3%	16.6	17.8	19.1	73.6%	0.6%
<b>Total</b>	<b>1 853.1</b>	<b>1 824.4</b>	<b>1 981.7</b>	<b>2 197.7</b>	<b>5.9%</b>	<b>100.0%</b>	<b>2 358.8</b>	<b>2 532.8</b>	<b>2 714.7</b>	<b>7.3%</b>	<b>100.0%</b>
Change to 2017				(37.2)			2.4	2.5	(1.7)		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>1 852.5</b>	<b>1 731.3</b>	<b>1 875.2</b>	<b>2 088.4</b>	<b>4.1%</b>	<b>96.1%</b>	<b>2 244.2</b>	<b>2 411.8</b>	<b>2 587.1</b>	<b>7.4%</b>	<b>95.2%</b>
Compensation of employees	1 774.7	1 712.3	1 850.6	2 029.8	4.6%	93.8%	2 183.0	2 347.5	2 519.5	7.5%	92.6%
Goods and services <sup>1</sup>	77.8	18.9	24.7	58.6	-9.0%	2.3%	61.2	64.4	67.6	4.9%	2.6%
of which:											
Audit costs: External	–	–	–	–	–	–	4.5	5.0	5.5	–	0.2%
Catering: Departmental activities	0.0	0.7	0.8	0.1	68.1%	–	2.7	3.2	3.7	302.5%	0.1%
Consumables: Stationery, printing and office supplies	1.0	1.8	3.0	30.7	210.8%	0.5%	26.3	26.2	28.2	-2.8%	1.1%
Rental and hiring	–	0.5	–	3.5	–	–	3.5	3.5	3.7	2.4%	0.1%
Travel and subsistence	58.1	7.9	13.3	5.3	-55.0%	1.1%	9.3	10.4	9.6	21.9%	0.4%
Training and development	4.0	0.0	–	12.3	45.3%	0.2%	9.0	9.5	9.9	-6.8%	0.4%
<b>Transfers and subsidies<sup>1</sup></b>	<b>–</b>	<b>93.1</b>	<b>104.7</b>	<b>107.5</b>	<b>–</b>	<b>3.9%</b>	<b>112.7</b>	<b>119.0</b>	<b>125.5</b>	<b>5.3%</b>	<b>4.7%</b>
Departmental agencies and accounts	–	–	2.5	0.8	–	–	2.8	2.9	3.1	57.1%	0.1%
Non-profit institutions	–	91.8	98.1	103.9	–	3.7%	109.9	116.1	122.5	5.6%	4.6%
Households	–	1.3	4.1	2.8	–	0.1%	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.0</b>	<b>1.7</b>	<b>1.8</b>	<b>47.5%</b>	<b>0.1%</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>	<b>5.3%</b>	<b>0.1%</b>
Machinery and equipment	0.6	0.0	1.7	1.8	47.5%	0.1%	1.9	2.0	2.1	5.3%	0.1%
<b>Total</b>	<b>1 853.1</b>	<b>1 824.4</b>	<b>1 981.7</b>	<b>2 197.7</b>	<b>5.9%</b>	<b>100.0%</b>	<b>2 358.8</b>	<b>2 532.8</b>	<b>2 714.7</b>	<b>7.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>4.7%</b>	<b>4.3%</b>	<b>4.0%</b>	<b>4.2%</b>	<b>–</b>	<b>–</b>	<b>3.2%</b>	<b>2.8%</b>	<b>2.7%</b>	<b>–</b>	<b>–</b>
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	–	–	2.5	0.8	–	–	2.8	2.9	3.1	57.1%	0.1%
Education, Training and Development Practices	–	–	2.5	0.8	–	–	2.8	2.9	3.1	57.1%	0.1%
Sector Education and Training Authority											
<b>Non-profit institutions</b>											
<b>Current</b>	–	91.8	98.1	103.9	–	3.7%	109.9	116.1	122.5	5.6%	4.6%
Community education and training colleges	–	91.8	98.1	103.9	–	3.7%	109.9	116.1	122.5	5.6%	4.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Entities<sup>1</sup>

### National Skills Fund

#### Mandate

The National Skills Fund was established in 1999 in terms of section 27 of the Skills Development Act (1998). The fund focuses on national priority projects identified in the national skills development strategy; projects related to the achievement of the purposes of the act, as determined by the Director General of the Department of Higher Education and Training; and any activity undertaken by the Minister of Higher Education and Training to achieve a national standard of good practice in skills development.

#### Selected performance indicators

**Table 15.15 National Skills Fund performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of learners who completed their education and training towards priority occupations per year	Grant disbursement	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- <sup>1</sup>	- <sup>1</sup>	3 267	7 000	7 500	7 500	7 500
Number of small, medium and micro enterprises and cooperatives that benefitted from the fund's skills development initiatives per year	Grant disbursement		- <sup>1</sup>	- <sup>1</sup>	2 158	150	200	250	300
Number of learners who acquired skills through funded community-based skills development initiatives per year	Grant disbursement		- <sup>1</sup>	- <sup>1</sup>	3 289	1 400	1 400	1 400	1 400
Number of workers to be educated through workers' education initiatives per year	Grant disbursement		- <sup>1</sup>	- <sup>1</sup>	0 <sup>2</sup>	840	1 120	1 400	1 680

1. No historical data available.

2. No funding available due to other pressures in the entity's post-school education and training function.

#### Expenditure analysis

Over the medium term, the National Skills Fund will continue to fund initiatives that develop skills, such as those of artisans, considered national priorities. Through this, the fund aims to contribute to reducing the skills gap and creating greater opportunities for out-of-school youth in need of skills interventions. It will also support initiatives aimed at enhancing quality in the post-school education and training system. Through its work, the fund aims to fulfil objectives of the NDP and outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

The fund will focus, over the MTEF period, on learner education and training; the provision of financial support to small, medium and micro enterprises and cooperatives; the development of skills infrastructure; and research on skills development. The fund aims to assist 4 200 learners in acquiring skills through community-based initiatives such as entrepreneurial development; and educate 4 200 workers through initiatives such as the provision of bursaries, and occupational training and skills development programmes. Spending on these initiatives is through transfers and subsidies, mainly to private skills development providers and higher education and training institutions, and accounts for 96 per cent (R15.1 billion) of the fund's total projected expenditure over the medium term. This spending is set to decrease from R10.2 billion in 2017/18 to R3.7 billion in 2020/21 in line with the expected decrease in income from the skills development levy, which is the fund's primary source of revenue. The South African Revenue Service collects the levy from employers and transfers these collections to the entity as a direct charge against the National Revenue Fund. The expected decrease in spending is in line with the service's revision of earmarked tax on employers whose payroll is higher than R500 000 per year. The fund will mitigate the impact of this decrease by using income generated from investments.

The fund has implemented a new organisational structure to improve its capabilities in planning, monitoring and evaluation, and financial management. In line with this, 50 additional personnel are set to be employed

<sup>1</sup> This section has been compiled with the latest available information from the entities concerned.

over the medium term, increasing the number of personnel in the fund from 79 to 129 over the MTEF period. As a result, spending on compensation of employees is projected to increase at an average annual rate of 23 per cent, from R61 million in 2017/18 to R113.6 million in 2020/21.

### Programmes/Objectives/Activities

**Table 15.16 The National Skills Fund expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	127.6	146.5	167.5	193.0	14.8%	3.1%	341.3	295.3	300.7	15.9%	5.1%
Grant disbursement	2 925.1	4 357.2	5 015.8	10 125.4	51.3%	96.9%	6 108.2	5 154.8	3 625.0	-29.0%	94.9%
<b>Total</b>	<b>3 052.7</b>	<b>4 503.7</b>	<b>5 183.4</b>	<b>10 318.4</b>	<b>50.1%</b>	<b>100.0%</b>	<b>6 449.5</b>	<b>5 450.2</b>	<b>3 925.7</b>	<b>-27.5%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 15.17 The National Skills Fund statements of historical financial performance and position**

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
<b>Revenue</b>									
Non-tax revenue	419.5	3 128.1	961.4	1 102.8	408.8	822.8	306.1	548.9	267.3%
Other non-tax revenue	419.5	3 128.1	961.4	1 102.8	408.8	822.8	306.1	548.9	267.3%
Transfers received	3 247.9	2 750.6	3 159.3	3 033.1	3 179.4	3 051.0	3 328.3	3 154.1	92.8%
<b>Total revenue</b>	<b>3 667.4</b>	<b>5 878.7</b>	<b>4 120.7</b>	<b>4 135.9</b>	<b>3 588.2</b>	<b>3 873.8</b>	<b>3 634.4</b>	<b>3 703.0</b>	<b>117.2%</b>
<b>Expenses</b>									
Current expenses	110.5	95.8	170.3	97.9	235.5	119.1	238.7	142.7	60.3%
Compensation of employees	53.2	29.2	57.7	40.5	131.0	45.7	139.8	61.0	46.2%
Goods and services	57.3	63.9	112.5	52.3	95.4	67.2	86.6	74.0	73.1%
Depreciation	-	2.7	-	5.1	9.1	6.2	12.2	7.7	101.8%
Transfers and subsidies	4 487.8	2 956.9	4 538.9	4 405.8	5 279.8	5 064.3	9 565.0	10 175.7	94.7%
<b>Total expenses</b>	<b>4 598.3</b>	<b>3 052.7</b>	<b>4 709.2</b>	<b>4 503.7</b>	<b>5 515.4</b>	<b>5 183.4</b>	<b>9 803.7</b>	<b>10 318.4</b>	<b>93.6%</b>
<b>Surplus/(Deficit)</b>	<b>(931.0)</b>	<b>2 826.0</b>	<b>(589.0)</b>	<b>(368.0)</b>	<b>(1 927.0)</b>	<b>(1 310.0)</b>	<b>(6 169.0)</b>	<b>(6 615.0)</b>	
<b>Statement of financial position</b>									
Carrying value of assets	-	11.8	-	602.0	51.0	544.4	45.5	1 165.4	2 409.4%
of which:									
Acquisition of assets	-	(105.0)	-	(345.7)	(1 772.5)	(152.5)	(759.7)	(789.5)	55.0%
Investments	4 094.7	8 180.7	10 541.7	10 423.3	6 199.6	8 860.5	100.0	3 544.2	148.1%
Receivables and prepayments	-	1 782.4	-	715.2	-	742.2	-	788.3	-
Cash and cash equivalents	-	2 270.5	-	186.1	-	610.2	-	610.2	-
<b>Total assets</b>	<b>4 094.7</b>	<b>12 245.4</b>	<b>10 541.7</b>	<b>11 926.6</b>	<b>6 250.6</b>	<b>10 757.3</b>	<b>145.5</b>	<b>6 108.1</b>	<b>195.1%</b>
Accumulated surplus/(deficit)	-	6 040.8	10 541.7	6 272.3	3 742.1	5 170.1	84.1	2 639.8	140.1%
Capital and reserves	-	5 198.8	-	4 599.5	2 500.0	4 392.1	-	2 199.0	655.6%
Capital reserve fund	-	948.1	-	1 001.4	-	1 113.9	-	1 183.0	-
Trade and other payables	-	50.6	-	45.4	-	61.1	52.3	68.0	430.5%
Provisions	-	7.2	-	3.0	3.2	4.9	3.4	2.1	264.3%
Derivatives financial instruments	-	-	-	5.1	5.4	15.1	5.7	16.1	327.0%
<b>Total equity and liabilities</b>	<b>-</b>	<b>12 245.4</b>	<b>10 541.7</b>	<b>11 926.6</b>	<b>6 250.6</b>	<b>10 757.3</b>	<b>145.5</b>	<b>6 108.1</b>	<b>242.3%</b>

### Statements of estimates of financial performance and position

**Table 15.18 The National Skills Fund statements of estimates of financial performance and position**

Statement of financial performance									
R million	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21	
				2018/19	2019/20	2020/21			
<b>Revenue</b>									
Non-tax revenue	548.9	-44.0%	29.0%	563.7	578.9	594.6	2.7%	13.9%	
Other non-tax revenue	548.9	-44.0%	29.0%	563.7	578.9	594.6	2.7%	13.9%	
Transfers received	3 154.1	4.7%	71.0%	3 385.9	3 659.9	3 963.9	7.9%	86.1%	
<b>Total revenue</b>	<b>3 703.0</b>	<b>-14.3%</b>	<b>100.0%</b>	<b>3 949.6</b>	<b>4 238.8</b>	<b>4 558.5</b>	<b>7.2%</b>	<b>100.0%</b>	
<b>Expenses</b>									
Current expenses	142.7	14.2%	2.2%	279.3	229.9	235.2	18.1%	4.0%	
Compensation of employees	61.0	27.8%	0.8%	103.4	108.5	113.6	23.0%	1.8%	
Goods and services	74.0	5.0%	1.3%	167.7	112.7	112.5	15.0%	2.1%	
Depreciation	7.7	41.4%	0.1%	8.2	8.7	9.2	6.0%	0.1%	
Transfers and subsidies	10 175.7	51.0%	97.8%	6 170.2	5 220.3	3 690.5	-28.7%	96.0%	
<b>Total expenses</b>	<b>10 318.4</b>	<b>50.1%</b>	<b>100.0%</b>	<b>6 449.5</b>	<b>5 450.2</b>	<b>3 925.7</b>	<b>-27.5%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>(6 615.0)</b>			<b>(2 500.0)</b>	<b>(1 211.0)</b>	<b>633.0</b>			

**Table 15.18 The National Skills Fund statements of estimates of financial performance and position**

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Carrying value of assets of which:	1 165.4	362.8%	7.3%	1 711.1	1 036.7	328.6	-34.4%	15.9%
Acquisition of assets	(789.5)	95.9%	-4.5%	(1 149.9)	(1 704.2)	(1 027.4)	9.2%	-17.5%
Investments	3 544.2	-24.3%	73.6%	3 898.6	4 288.5	4 717.3	10.0%	62.0%
Receivables and prepayments	788.3	-23.8%	10.1%	833.2	879.8	928.2	5.6%	12.9%
Cash and cash equivalents	610.2	-35.5%	8.9%	610.2	610.2	610.2	-	9.2%
<b>Total assets</b>	<b>6 108.1</b>	<b>-20.7%</b>	<b>100.0%</b>	<b>7 053.1</b>	<b>6 815.2</b>	<b>6 584.3</b>	<b>2.5%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	2 639.8	-24.1%	48.3%	2 627.5	2 749.1	2 749.1	1.4%	40.6%
Capital and reserves	2 199.0	-24.9%	39.5%	3 084.0	2 649.4	2 340.6	2.1%	38.5%
Capital reserve fund	1 183.0	7.7%	11.5%	1 250.4	1 320.5	1 393.1	5.6%	19.4%
Trade and other payables	68.0	10.3%	0.6%	71.9	75.9	80.1	5.6%	1.1%
Provisions	2.1	-33.2%	0.0%	2.3	2.4	2.5	5.6%	0.0%
Derivatives financial instruments	16.1	-	0.1%	17.0	17.9	18.9	5.6%	0.3%
<b>Total equity and liabilities</b>	<b>6 108.1</b>	<b>-20.7%</b>	<b>100.0%</b>	<b>7 053.1</b>	<b>6 815.2</b>	<b>6 584.3</b>	<b>2.5%</b>	<b>100.0%</b>

## Personnel information

**Table 15.19 The National Skills Fund personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
The National Skills Fund		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	129	180	93	45.7	0.5	79	61.0	0.8	129	103.4	0.8	129	108.5	0.8	129	113.6	0.9	23.0%	100.0%
1-6	3	3	-	-	-	1	4.2	4.2	3	9.0	3.0	3	7.7	2.6	3	6.3	2.1	13.8%	2.1%
7-10	60	94	-	-	-	40	15.7	0.4	60	23.6	0.4	60	25.1	0.4	60	26.8	0.4	19.6%	47.5%
11-12	45	60	87	39.2	0.5	26	23.8	0.9	45	44.6	1.0	45	47.5	1.1	45	50.6	1.1	28.7%	34.4%
13-16	21	23	6	6.5	1.1	12	17.3	1.4	21	26.3	1.3	21	28.1	1.3	21	29.9	1.4	19.9%	16.0%

1. Rand million.

## National Student Financial Aid Scheme

### Mandate

The National Student Financial Aid Scheme was established in terms of the National Student Financial Aid Scheme Act (1999). The scheme is responsible for providing loans and bursaries, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database of funded students, undertaking research for the better use of financial resources, and advising the minister on matters relating to student financial aid. The act will be reviewed in line with the announcement of fee free higher education and training.

### Selected performance indicators

**Table 15.20 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Amount of financial aid raised from new funders for qualifying students per year	Student-centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	R69.5m	R18.6m	R104m	R11m	R12.2m	R13.4m	R14.7m
Amount of financial aid raised for qualifying students from current funders per year <sup>1</sup>	Student-centred financial aid		R727m	R2.4bn	RO <sup>2</sup>	R13m	R16m	R20m	R40m
Amount of funds recovered from national student financial aid scheme debtors per year	Student-centred financial aid		R248m	R227m	R392m	R588m	25% growth on 2017/18 actual	25% growth on 2018/19 actual	25% growth on 2019/20 actual
Number of students assisted in higher education institutions per year	Student-centred financial aid		186 150	178 961	225 950	230 469	293 925	400 920	428 367
Number of students assisted in TVET colleges per year	Student-centred financial aid		228 642	235 988	225 557	230 068	290 184	377 050	469 970

**Table 15.20 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of students in the student-centred model per year paid tuition and residence fees within 30 days	Student-centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	– <sup>3</sup>	98.5% (60 166/ 61 083)	99.4% (60 285/ 60 649)	70%	80%	90%	98%
Percentage of students in the student-centred model paid allowances within 7 days per year	Student-centred financial aid		– <sup>3</sup>	94.1% (27 398/ 29 127)	40.8% (29 127/ 71 390) <sup>4</sup>	80%	90%	95%	98%

1. Indicator rephrased to non-cumulative measurement and targets amended in line with the scheme's approved 2018 annual performance plan.

2. Several sector education and training authorities and some provincial departments did not renew their funding.

3. No historical data available.

4. Delays experienced due to ICT system configuration issues.

### Expenditure analysis

The National Student Financial Aid Scheme aims to support the targets of government's 2014-2019 medium-term strategic framework, specifically outcome 5 (a skilled and capable workforce to support an inclusive growth path), through strategic objectives aligned with the scheme's mandate. The need for increased student funding and improved loan recoveries has taken centre stage in the context of factors such as escalating university fees, student protests, and poor recoveries by scheme. The focus of the scheme over the medium term will continue to be on ensuring access to higher education and training for students who cannot afford to pay for their own studies. The scheme will also continue implementing its funding and recovery strategies, and research plan.

The R37.2 billion that government appropriated to the scheme in the 2017 MTEF period has been supplemented by a further allocation of R43.3 billion over the medium term for the implementation of the recently announced policy of fee free higher education and training for poor and working class students. As a result, expenditure on student bursaries is expected to increase at an average annual rate of 55.7 per cent, from R10.1 billion in 2017/18 to R38.1 billion in 2020/21. This allocation will fund undergraduate university and TVET college students from households with a combined annual income of up to R350 000, starting in 2018 with students in their first year of study, and extending to second, third and fourth year students in subsequent years. For these students, all tuition fees, prescribed study materials, meals, accommodation and/or transport costs will be fully paid for. A projected 1 123 212 undergraduate students in universities and 1 137 204 students in TVET colleges will be supported by this allocation over the medium term. This represents a 23 per cent average annual increase in the number of university students provided with financial aid, and an average annual increase of 74.3 per cent in the number of TVET college students provided with financial aid.

The rollout of the student-centred model and the additional allocations to be administered for university and TVET college students is placing considerable pressure on the scheme's administration budget, particularly its capacity in ICT and human resources. To ease this pressure, an additional R105 million is allocated to the scheme over the medium term. The number of personnel is set to increase from 450 in 2017/18 to 500 in 2018/19, driving an increase in spending on compensation of employees from R156.7 million in 2017/18 to an estimated R210.4 million in 2020/21, at an average annual rate of 10.3 per cent. The new posts have been accommodated through the rationalisation and reprioritisation of existing posts and vacancies in order for the entity to remain within its expenditure ceiling. These new posts are mostly for additional staff required for administering more applications and disbursing funds directly to students instead of to institutions, as part of the student-centred model, which is now in place at all 26 public universities and 50 TVET colleges. In line with this increase, total expenditure on outsourced services is projected to increase from R20.4 million in 2017/18 to R25.5 million in 2020/21, and computer services from R18.6 million to R20.2 million over the same period.

The scheme will continue to implement cost containment measures on non-core items that will not have a negative impact on service delivery. Spending on travel and subsistence is set to decrease from R12.2 million in 2017/18 to R11.7 million in 2020/21, and spending on consultants from R35.4 million in 2017/18 to R17.9 million in 2020/21.

Transfers from the department, which amount to R95.4 billion over the medium term, constitute 94.3 per cent of the scheme's total projected revenue. The scheme also derives revenue through administration fees charged for bursaries administered on behalf of various government departments and public entities,

amounting to an estimated R74 million over the medium term; and interest earned on outstanding student loans and funds held in call accounts prior to disbursement, amounting to an estimated R5 billion over the same period. The scheme's total revenue is expected to increase at an average annual rate of 33.9 per cent, from R16.7 billion in 2017/18 to R40.2 billion in 2020/21.

### Programmes/Objectives/Activities

**Table 15.21 National Student Financial Aid Scheme expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	123.0	128.6	158.9	207.8	19.1%	1.4%	198.8	212.3	224.6	2.6%	0.9%
Student centered financial aid	10 727.3	8 420.6	10 882.9	13 403.2	7.7%	98.6%	23 314.7	33 806.8	38 371.5	42.0%	99.1%
<b>Total</b>	<b>10 850.3</b>	<b>8 549.2</b>	<b>11 041.9</b>	<b>13 611.0</b>	<b>7.8%</b>	<b>100.0%</b>	<b>23 513.5</b>	<b>34 019.1</b>	<b>38 596.1</b>	<b>41.5%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 15.22 National Student Financial Aid Scheme statements of historical financial performance and position**

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2014/15 - 2017/18
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>27.6</b>	<b>871.4</b>	<b>890.7</b>	<b>720.3</b>	<b>783.2</b>	<b>1 174.5</b>	<b>863.4</b>	<b>1 203.3</b>	<b>154.8%</b>
Sale of goods and services other than capital assets	27.6	16.2	16.7	22.3	19.8	20.4	23.5	23.5	94.0%
<i>of which:</i>									
Administrative fees	27.6	16.2	16.7	22.3	19.8	20.4	23.5	23.5	94.0%
Other non-tax revenue	-	855.3	873.9	697.9	763.5	1 154.1	839.8	1 179.8	156.9%
<b>Transfers received</b>	<b>13 435.1</b>	<b>8 881.4</b>	<b>9 226.1</b>	<b>9 543.5</b>	<b>14 311.0</b>	<b>11 929.5</b>	<b>15 640.2</b>	<b>15 542.9</b>	<b>87.2%</b>
<b>Total revenue</b>	<b>13 462.7</b>	<b>9 752.8</b>	<b>10 116.7</b>	<b>10 263.8</b>	<b>15 094.2</b>	<b>13 104.0</b>	<b>16 503.5</b>	<b>16 746.2</b>	<b>90.4%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>143.8</b>	<b>4 733.6</b>	<b>197.2</b>	<b>2 129.2</b>	<b>267.5</b>	<b>3 716.6</b>	<b>271.2</b>	<b>3 503.4</b>	<b>1 600.9%</b>
Compensation of employees	84.6	82.3	101.6	95.9	138.7	123.3	152.0	156.7	96.1%
Goods and services	52.1	4 624.6	67.6	2 007.3	99.4	3 579.3	88.7	3 331.2	4 400.5%
Depreciation	7.1	26.7	28.1	26.0	29.3	13.9	30.5	15.5	86.4%
<b>Transfers and subsidies</b>	<b>6 911.9</b>	<b>6 116.7</b>	<b>7 242.4</b>	<b>6 420.0</b>	<b>9 452.9</b>	<b>7 325.3</b>	<b>10 107.6</b>	<b>10 107.6</b>	<b>88.9%</b>
<b>Total expenses</b>	<b>7 055.7</b>	<b>10 850.3</b>	<b>7 439.6</b>	<b>8 549.2</b>	<b>9 720.4</b>	<b>11 041.9</b>	<b>10 378.8</b>	<b>13 611.0</b>	<b>127.3%</b>
<b>Surplus/(Deficit)</b>	<b>6 407.0</b>	<b>(1 098.0)</b>	<b>2 677.0</b>	<b>1 715.0</b>	<b>5 374.0</b>	<b>2 062.0</b>	<b>6 125.0</b>	<b>3 135.0</b>	
<b>Statement of financial position</b>									
Carrying value of assets	10.4	38.3	40.6	22.0	22.8	16.3	23.6	23.6	102.9%
<i>of which:</i>									
Acquisition of assets	(7.1)	(2.8)	(12.7)	(9.7)	(14.0)	(8.2)	(8.9)	(8.9)	69.4%
Investments	670.9	-	-	-	-	-	-	-	-
Loans	7 938.0	6 110.2	6 476.8	7 176.2	10 284.2	9 362.0	12 317.5	12 533.4	95.0%
Receivables and prepayments	516.9	1 262.5	1 373.4	2 036.5	2 029.4	1 846.8	2 079.9	2 079.9	120.4%
Cash and cash equivalents	2 463.1	1 535.9	1 628.0	912.9	1 004.2	3 897.3	1 054.4	4 287.0	172.9%
<b>Total assets</b>	<b>11 599.2</b>	<b>8 946.8</b>	<b>9 518.8</b>	<b>10 147.6</b>	<b>13 340.6</b>	<b>15 122.4</b>	<b>15 475.3</b>	<b>18 923.9</b>	<b>106.4%</b>
Accumulated surplus/(deficit)	1 621.1	(1 097.5)	445.8	1 714.6	1 741.2	2 062.2	1 828.3	2 113.7	85.0%
Capital and reserves	9 782.1	8 472.8	7 375.2	7 375.2	10 485.2	9 089.8	12 479.8	12 644.3	93.7%
Deferred income	183.5	1 265.0	1 340.9	825.9	867.2	3 431.6	910.5	3 603.1	276.4%
Trade and other payables	12.6	241.5	291.2	172.0	180.6	507.0	189.7	532.3	215.5%
Provisions	-	65.0	65.7	59.9	66.3	31.9	67.0	30.3	94.0%
<b>Total equity and liabilities</b>	<b>11 599.2</b>	<b>8 946.8</b>	<b>9 518.8</b>	<b>10 147.6</b>	<b>13 340.6</b>	<b>15 122.4</b>	<b>15 475.3</b>	<b>18 923.9</b>	<b>106.4%</b>

## Statements of estimates of financial performance and position

Table 15.23 National Student Financial Aid Scheme statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Revised estimate	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
R million								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>1 203.3</b>	<b>11.4%</b>	<b>8.0%</b>	<b>1 557.7</b>	<b>1 711.9</b>	<b>1 754.6</b>	<b>13.4%</b>	<b>5.7%</b>
Sale of goods and services other than capital assets	23.5	13.4%	0.2%	23.9	24.7	25.4	2.5%	0.1%
of which:								
Administrative fees	23.5	13.4%	0.2%	23.9	24.7	25.4	2.5%	0.1%
Other non-tax revenue	1 179.8	11.3%	7.9%	1 533.7	1 687.1	1 729.3	13.6%	5.6%
<b>Transfers received</b>	<b>15 542.9</b>	<b>20.5%</b>	<b>92.0%</b>	<b>23 160.7</b>	<b>33 790.8</b>	<b>38 424.3</b>	<b>35.2%</b>	<b>94.3%</b>
<b>Total revenue</b>	<b>16 746.2</b>	<b>19.7%</b>	<b>100.0%</b>	<b>24 718.4</b>	<b>35 502.6</b>	<b>40 179.0</b>	<b>33.9%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>3 503.4</b>	<b>-9.5%</b>	<b>32.0%</b>	<b>621.9</b>	<b>515.9</b>	<b>478.3</b>	<b>-48.5%</b>	<b>7.8%</b>
Compensation of employees	156.7	23.9%	1.0%	181.4	197.4	210.4	10.3%	0.8%
Goods and services	3 331.2	-10.4%	30.7%	424.1	301.2	249.6	-57.8%	7.0%
Depreciation	15.5	-16.5%	0.2%	16.4	17.4	18.3	5.6%	0.1%
<b>Transfers and subsidies</b>	<b>10 107.6</b>	<b>18.2%</b>	<b>68.0%</b>	<b>22 891.6</b>	<b>33 503.2</b>	<b>38 117.8</b>	<b>55.7%</b>	<b>92.2%</b>
<b>Total expenses</b>	<b>13 611.0</b>	<b>7.8%</b>	<b>100.0%</b>	<b>23 513.5</b>	<b>34 019.1</b>	<b>38 596.1</b>	<b>41.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>3 135.0</b>			<b>1 205.0</b>	<b>1 484.0</b>	<b>1 583.0</b>		
<b>Statement of financial position</b>								
Carrying value of assets	23.6	-14.9%	0.2%	24.4	25.2	25.9	3.1%	0.1%
of which:								
Acquisition of assets	(8.9)	46.3%	-0.1%	(8.6)	(6.4)	(5.2)	-16.1%	-0.0%
Loans	12 533.4	27.1%	66.8%	11 812.3	11 055.2	10 260.2	-6.5%	61.4%
Receivables and prepayments	2 079.9	18.1%	14.3%	2 131.5	2 184.5	2 239.1	2.5%	11.6%
Cash and cash equivalents	4 287.0	40.8%	18.6%	4 715.7	5 187.3	5 706.0	10.0%	26.8%
<b>Total assets</b>	<b>18 923.9</b>	<b>28.4%</b>	<b>100.0%</b>	<b>18 684.0</b>	<b>18 452.2</b>	<b>18 231.2</b>	<b>-1.2%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	2 113.7	-224.4%	7.4%	3 318.6	4 802.1	6 385.0	44.6%	22.5%
Capital and reserves	12 644.3	14.3%	73.6%	10 093.5	7 414.9	5 020.9	-26.5%	47.1%
Deferred income	3 603.1	41.8%	16.0%	4 684.1	5 620.9	6 183.0	19.7%	27.1%
Trade and other payables	532.3	30.1%	2.6%	559.0	586.9	616.3	5.0%	3.1%
Provisions	30.3	-22.5%	0.4%	28.8	27.4	26.0	-5.0%	0.2%
<b>Total equity and liabilities</b>	<b>18 923.9</b>	<b>28.4%</b>	<b>100.0%</b>	<b>18 684.0</b>	<b>18 452.2</b>	<b>18 231.2</b>	<b>-1.2%</b>	<b>100.0%</b>

## Personnel information

Table 15.24 National Student Financial Aid Scheme personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)	Average: Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
National Student Financial Aid Scheme	550	450	401	123.3	0.3	450	156.7	0.3	500	181.4	0.4	500	197.4	0.4	500	210.4	0.4	10.3%	100.0%
Salary level																			
1 - 6	153	153	143	11.1	0.1	153	24.7	0.2	163	19.1	0.1	163	23.0	0.1	163	26.8	0.2	2.7%	33.0%
7 - 10	330	230	201	61.3	0.3	230	71.7	0.3	257	84.3	0.3	257	89.1	0.3	257	94.4	0.4	9.6%	51.3%
11 - 12	12	12	12	7.9	0.7	12	8.0	0.7	13	9.1	0.7	13	9.7	0.7	13	10.2	0.8	8.4%	2.6%
13 - 16	50	50	42	37.6	0.9	50	46.1	0.9	62	60.1	1.0	62	66.1	1.1	62	69.1	1.1	14.4%	12.1%
17 - 22	5	5	3	5.5	1.8	5	6.2	1.2	5	8.7	1.7	5	9.5	1.9	5	9.9	2.0	16.9%	1.0%

1. Rand million.

## Sector education and training authorities

## Mandate

As per the Skills Development Act (1998), sector education and training authorities are mandated to implement national, sector and workplace strategies to develop and improve skills in the South African workforce, provide learnerships that lead to a recognised occupational qualification, and fund skills development.



**Selected performance indicators****Table 15.25 Sector education and training authorities performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of unemployed persons entering skills programmes per year	Discretionary grant	Outcome 5: A skilled and capable workforce to support an inclusive growth path	31 978	38 622	31 715	34 252	36 992	39 211	41 563
Number of workers entering skills programmes per year	Mandatory grant		105 305	84 971	78 215	84 472	91 229	96 702	102 504
Number of unemployed persons completing skills programmes per year	Discretionary grant		23 923	35 675	16 074	17 359	18 747	18 401	19 505
Number of workers completing skills programmes per year	Mandatory grant		82 536	91 469	62 388	67 379	72 769	71 422	75 707
Number of unemployed persons entering learnerships per year	Discretionary grant		48 831	67 029	47 554	51 358	55 466	54 439	57 705
Number of workers entering learnerships per year	Mandatory grant		29 099	27 340	33 085	35 731	38 589	37 875	40 147
Number of unemployed persons completing learnerships per year	Discretionary grant		22 206	28 356	24 878	26 868	29 017	28 480	30 231
Number of workers completing learnerships per year	Mandatory grant		18 685	14 957	17 927	19 361	20 909	20 523	21 754
Number of unemployed persons receiving bursaries per year	Discretionary grant		14 683	19 044	11 630	12 560	13 564	13 314	14 113
Number of workers receiving bursaries per year	Mandatory grant		7 624	7 056	8 157	8 809	9 513	9 338	9 898
Number of university students placed in workplaces per year as part of qualification requirements	Discretionary grant		7 590	7 643	20 089	21 696	23 431	22 998	24 377
Number of TVET college students placed in workplaces per year as part of qualification requirements	Discretionary grant		14 400	13 213	11 633	12 563	13 568	13 317	14 116

**Expenditure analysis**

Over the medium term, the 21 sector education and training authorities will continue to focus on strengthening skills training programmes in the labour market. The authorities place particular emphasis on artisan development, apprenticeships, learnerships, internships, bursaries and partnerships with TVET colleges, universities and employers. Through their work, the authorities contribute to the realisation of outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

The number of bursaries awarded by the authorities to unemployed individuals to undertake higher education and training studies is projected to increase from 12 560 in 2017/18 to 14 113 in 2020/21. The number of bursaries awarded to workers is set to increase from 8 809 to 9 898 over the same period.

Sector education and training authorities support university and TVET college students whose qualifications have a practical component by facilitating their placement in workplaces. The number of university students placed in workplaces is expected to increase from 21 969 in 2017/18 to 24 377 in 2020/21, while the number of TVET college students placed is expected to increase from 12 563 to 14 116 over the same period. An estimated 408 201 unemployed people and workers are expected to enter various skills programmes run by the authorities over the medium term. The skills programmes are funded through payments made to employers for training and developing the skills of their workers or of unemployed people, in line with the skills development levy. Employers who contribute to the levy and provide skills development opportunities can claim back some of their contributions from the authorities. The transfer payment of employer claims accounts for an estimated 82.8 per cent (R13.7 billion) of the authorities' total expenditure in 2018/19, increasing to R14.5 billion in 2020/21.

All the authorities, except the Public Service Sector Education and Training Authority, generate revenue from the skills development levy collected by South African Revenue Service and transferred to them as a direct charge against the National Revenue fund. The Public Service Sector Education and Training Authority is set to receive a transfer of R337.2 million over the medium term from the department.

Revenue from the skills development levy for the 20 other authorities is expected to increase at an average annual rate of 7.9 per cent, from R12.6 billion in 2017/18 to R15.9 billion in 2020/21, constituting 96 per cent of their total revenue. Other revenue is mostly generated from interest income, and is estimated at R3.4 billion over the medium term.

### Statements of historical financial performance and position

**Table 15.26 Sector education and training authorities Consolidation statements of historical financial performance and position**

Statement of financial performance									Average: Outcome/ Budget (%)
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
	2014/15		2015/16		2016/17		2017/18		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>598.8</b>	<b>1 152.2</b>	<b>879.6</b>	<b>1 234.7</b>	<b>888.9</b>	<b>1 690.5</b>	<b>843.3</b>	<b>1 380.7</b>	<b>170.0%</b>
Other non-tax revenue	598.8	1 152.2	879.6	1 234.7	888.9	1 690.5	843.3	1 380.7	170.0%
<b>Transfers received</b>	<b>10 207.7</b>	<b>11 158.5</b>	<b>10 672.8</b>	<b>11 782.3</b>	<b>12 022.1</b>	<b>13 684.4</b>	<b>12 944.9</b>	<b>13 068.9</b>	<b>108.4%</b>
<b>Total revenue</b>	<b>10 689.7</b>	<b>12 310.7</b>	<b>11 552.4</b>	<b>13 017.0</b>	<b>12 911.0</b>	<b>15 374.9</b>	<b>13 788.3</b>	<b>14 449.6</b>	<b>112.7%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>1 573.9</b>	<b>1 522.6</b>	<b>1 897.6</b>	<b>1 779.8</b>	<b>1 999.2</b>	<b>2 063.5</b>	<b>2 062.2</b>	<b>2 374.8</b>	<b>102.8%</b>
Compensation of employees	758.9	763.1	862.3	899.6	940.4	1 067.6	1 038.8	1 251.6	110.6%
Goods and services	775.9	726.9	1 006.4	846.9	1 026.1	956.3	981.9	1 066.6	94.9%
Depreciation	38.9	30.2	28.8	32.8	32.7	39.5	41.5	56.7	112.2%
Interest, dividends and rent on land	0.2	2.4	0.0	0.5	0.0	0.0	0.0	-	1 109.4%
<b>Transfers and subsidies</b>	<b>4 799.4</b>	<b>9 003.2</b>	<b>10 559.5</b>	<b>9 666.5</b>	<b>12 192.3</b>	<b>11 643.5</b>	<b>11 873.8</b>	<b>14 164.3</b>	<b>112.8%</b>
<b>Total expenses</b>	<b>6 373.3</b>	<b>10 525.8</b>	<b>12 457.1</b>	<b>11 446.3</b>	<b>14 191.5</b>	<b>13 707.0</b>	<b>13 936.0</b>	<b>16 539.1</b>	<b>111.2%</b>
<b>Surplus/(Deficit)</b>	<b>4 316.0</b>	<b>1 785.0</b>	<b>(905.0)</b>	<b>1 571.0</b>	<b>(1 280.0)</b>	<b>1 668.0</b>	<b>(148.0)</b>	<b>(2 090.0)</b>	
<b>Statement of financial position</b>									
Carrying value of assets	348.5	223.0	434.6	308.4	571.2	350.9	548.9	554.4	75.5%
of which:									
<i>Acquisition of assets</i>	<i>(36.5)</i>	<i>(68.0)</i>	<i>(57.0)</i>	<i>(150.1)</i>	<i>(35.9)</i>	<i>(73.2)</i>	<i>(51.1)</i>	<i>(245.1)</i>	<i>297.2%</i>
Investments	1 206.0	1 643.3	1 746.5	1 717.7	1 950.0	105.6	1 665.0	-	52.8%
Inventory	2.7	5.2	4.1	6.9	3.8	4.8	3.8	4.0	145.4%
Accrued investment interest	42.1	66.4	33.4	5.2	35.8	85.0	41.9	42.5	129.9%
Receivables and prepayments	123.5	315.2	171.4	326.7	164.4	972.8	178.2	210.0	286.2%
Cash and cash equivalents	5 664.6	12 095.6	8 331.2	13 945.7	8 658.2	17 166.1	8 831.8	12 305.5	176.3%
<b>Total assets</b>	<b>7 387.5</b>	<b>14 348.7</b>	<b>10 721.2</b>	<b>16 310.6</b>	<b>11 383.5</b>	<b>18 685.2</b>	<b>11 269.7</b>	<b>13 116.5</b>	<b>153.2%</b>
Capital reserve fund	-	71.9	66.3	171.4	148.4	197.2	148.4	125.8	156.0%
Borrowings	1.0	-	1.0	-	1.1	-	1.2	1.2	27.2%
Finance lease	1.9	4.3	5.3	2.0	6.7	3.9	4.1	0.6	59.7%
Deferred income	14.7	23.2	5.1	20.2	5.3	12.4	5.8	14.0	225.9%
Trade and other payables	1 282.7	1 263.6	1 032.7	1 091.7	903.5	1 419.5	861.7	1 367.0	126.0%
Provisions	572.0	1 015.0	740.3	699.2	720.9	1 588.1	677.6	720.4	148.4%
Managed funds (e.g. poverty alleviation fund)	0.4	-	-	-	-	-	-	-	-
Derivatives financial instruments	151.3	601.7	293.6	480.5	328.9	416.6	332.1	390.8	170.9%
<b>Total equity and liabilities</b>	<b>2 023.9</b>	<b>2 979.7</b>	<b>2 144.4</b>	<b>2 465.0</b>	<b>2 114.8</b>	<b>3 637.8</b>	<b>2 030.8</b>	<b>2 619.9</b>	<b>140.8%</b>

### Statements of estimates of financial performance and position

**Table 15.27 Sector education and training authorities consolidation statements of estimates of financial performance and position**

Statement of financial performance									Average: Expenditure/ Total (%)
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>1 380.7</b>	<b>6.2%</b>	<b>9.8%</b>	<b>1 330.3</b>	<b>1 381.9</b>	<b>1 503.9</b>	<b>2.9%</b>	<b>9.3%</b>	
Other non-tax revenue	1 380.7	6.2%	9.8%	1 330.3	1 381.9	1 503.9	2.9%	9.3%	
<b>Transfers received</b>	<b>13 068.9</b>	<b>5.4%</b>	<b>90.2%</b>	<b>13 090.8</b>	<b>13 899.8</b>	<b>14 651.4</b>	<b>3.9%</b>	<b>90.7%</b>	
<b>Total revenue</b>	<b>14 449.6</b>	<b>5.5%</b>	<b>100.0%</b>	<b>14 421.1</b>	<b>15 281.7</b>	<b>16 155.3</b>	<b>3.8%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>2 374.8</b>	<b>16.0%</b>	<b>14.9%</b>	<b>2 603.3</b>	<b>2 724.2</b>	<b>2 865.4</b>	<b>6.5%</b>	<b>15.8%</b>	
Compensation of employees	1 251.6	17.9%	7.6%	1 412.6	1 492.3	1 568.5	7.8%	8.6%	
Goods and services	1 066.6	13.6%	6.9%	1 122.6	1 164.1	1 228.1	4.8%	6.9%	
Depreciation	56.7	23.3%	0.3%	68.2	67.8	68.7	6.6%	0.4%	
<b>Transfers and subsidies</b>	<b>14 164.3</b>	<b>16.3%</b>	<b>85.1%</b>	<b>13 705.7</b>	<b>13 779.4</b>	<b>14 529.5</b>	<b>0.9%</b>	<b>84.2%</b>	
<b>Total expenses</b>	<b>16 539.1</b>	<b>16.3%</b>	<b>100.0%</b>	<b>16 309.0</b>	<b>16 503.6</b>	<b>17 394.9</b>	<b>1.7%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>(2 090.0)</b>			<b>(1 888.0)</b>	<b>(1 222.0)</b>	<b>(1 240.0)</b>			

**Table 15.27 Sector education and training authorities consolidation statements of estimates of financial performance and position**

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Carrying value of assets	554.4	35.5%	2.4%	444.9	453.8	443.0	-7.2%	3.4%
of which:								
Acquisition of assets	(245.1)	53.3%	-0.9%	(79.8)	(79.3)	(71.9)	-33.6%	-0.9%
Inventory	4.0	-8.4%	0.0%	4.3	4.5	4.1	0.5%	0.0%
Accrued investment interest	42.5	-13.8%	0.3%	92.9	110.9	137.9	48.0%	0.7%
Receivables and prepayments	210.0	-12.7%	2.8%	250.3	262.8	264.0	7.9%	1.7%
Cash and cash equivalents	12 305.5	0.6%	88.9%	13 535.8	13 735.0	13 777.7	3.8%	94.2%
<b>Total assets</b>	<b>13 116.5</b>	<b>-2.9%</b>	<b>100.0%</b>	<b>14 328.3</b>	<b>14 566.9</b>	<b>14 626.8</b>	<b>3.7%</b>	<b>100.0%</b>
Capital reserve fund	125.8	20.5%	4.9%	177.8	176.8	175.9	11.8%	6.0%
Borrowings	1.2	-	0.0%	1.2	1.3	1.3	2.8%	0.0%
Finance lease	0.6	-47.5%	0.1%	0.6	0.7	0.7	2.6%	0.0%
Deferred income	14.0	-15.4%	0.6%	14.9	15.7	16.5	5.6%	0.6%
Trade and other payables	1 367.0	2.7%	44.5%	1 579.5	1 622.9	1 589.6	5.2%	56.5%
Provisions	720.4	-10.8%	33.4%	724.3	545.0	552.7	-8.5%	23.3%
Derivatives financial instruments	390.8	-13.4%	16.5%	337.1	358.6	388.6	-0.2%	13.6%
<b>Total equity and liabilities</b>	<b>2 619.9</b>	<b>-4.2%</b>	<b>100.0%</b>	<b>2 835.6</b>	<b>2 721.0</b>	<b>2 725.3</b>	<b>-40.8%</b>	<b>100.0%</b>

### Personnel information

**Table 15.28 Sector education and training authorities consolidation personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
Sector education and training authorities		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	1 908	2 080	1 815	826.9	0.5	1 868	943.8	0.5	1 903	1 063.8	0.6	1 908	1 119.1	0.6	1 912	1 172.7	0.6	7.5%	100.0%
1 - 6	275	309	274	31.4	0.1	270	37.1	0.1	282	45.5	0.2	280	47.3	0.2	283	50.2	0.2	10.6%	14.7%
7 - 10	1 110	1 216	1 066	377.3	0.4	1 076	425.3	0.4	1 088	469.8	0.4	1 094	501.0	0.5	1 091	522.9	0.5	7.1%	57.3%
11 - 12	295	320	269	190.0	0.7	290	218.1	0.8	297	245.8	0.8	295	254.4	0.9	298	267.3	0.9	7.0%	15.5%
13 - 16	221	229	199	211.0	1.1	225	245.2	1.1	229	281.2	1.2	232	294.2	1.3	233	308.8	1.3	8.0%	12.1%
17 - 22	7	7	7	17.2	2.5	7	18.1	2.6	7	21.5	3.1	7	22.2	3.2	7	23.4	3.3	9.0%	0.4%

1. Rand million.

### Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Council on Higher Education** is tasked with developing and implementing a system of quality assurance for higher education, including programme accreditation, institutional audits, quality promotion and capacity development. The entity's total budget for 2018/19 is R55.6 million.
- The **Quality Council for Trades and Occupations** oversees the development and maintenance of the occupational qualifications sub-framework in the national qualifications framework, and advises the Minister of Higher Education and Training on all matters of policy concerning occupational standards and qualifications. The entity's total budget for 2018/19 is R114.1 million.
- The **South African Qualifications Authority** oversees the development of the national qualifications framework by formulating and publishing policies and criteria for the registration of organisations. It also oversees the implementation of the framework by ensuring the registration, accreditation and assignment of functions. The entity's total budget for 2018/19 is R138.7 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
Tertiary institutions Infrastructure	Construction of hostels, lecture halls and laboratories	Various	35 184.6	2 200.0	1 981.2	2 343.7	2 541.9	2 688.1	2 838.6	2 980.5
New universities in Mpumalanga and Northern Cape	Construction of hostels, lecture halls and laboratories	Various	12 917.1	500.0	1 320.0	–	–	–	–	–
University of Mpumalanga	Construction of hostels, lecture halls and laboratories	Various	–	–	–	673.9	624.6	638.5	665.9	700.6
Sol Plaatje University	Construction of hostels, lecture halls and laboratories	Various	–	–	–	379.1	353.9	362.0	378.4	401.2
<b>Total</b>			<b>48 101.8</b>	<b>2 700.0</b>	<b>3 301.2</b>	<b>3 396.7</b>	<b>3 520.4</b>	<b>3 688.6</b>	<b>3 883.0</b>	<b>4 082.3</b>