



**2019**  
**BUDGET**  
ESTIMATES OF  
NATIONAL EXPENDITURE

**VOTE**  
**15**

**HIGHER EDUCATION  
AND TRAINING**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**





# **Estimates of National Expenditure**

## **2019**

**National Treasury**

**Republic of South Africa**



**ISBN: 978-0-621-47021-5**

**RP: 17/2019**

The 2019 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). Compared to this Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where applicable.

# Foreword

The Estimates of National Expenditure (ENE) publications are an integral part of the comprehensive annual budget process. The economic climate has made it necessary to focus on reprioritising existing resources towards areas where the most value can be derived for all South Africans. The budgets shown in this document reflect the outcome of a robust negotiation process, led by a committee of senior officials in central government departments, under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, these decisions are considered and endorsed by Cabinet.

The ENE publications present the detail of national government's expenditure estimates for the three-year 2019 medium-term expenditure framework period, most importantly for 2019/20 allocations contained in the Appropriation Bill, 2019, as tabled by the Minister of Finance, for Parliament's consideration and adoption.

The abridged ENE provides extensive information on the priorities, spending plans and service delivery commitments of all 40 national government votes, as well as for associated government agencies. The e-publications for each vote contain more detail on goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

This information in these chapters ensures that Parliament, the public, civil society, the media, government departments, public entities and the executive can keep state institutions accountable and ensure that public funds are spent to achieve the outcomes for which they were intended. Since its launch in February 2018, the Vulekamali online portal has become the main source of transparent, user-friendly information, including information contained in ENE publications, for anybody who wants to know more about how government compiles its budget and spends public funds. The website, [www.vulekamali.gov.za](http://www.vulekamali.gov.za), continues to evolve, and now also provides geospatial information on government's infrastructure projects, which are focal in this year's budget as a key impetus for economic growth. I encourage you to be active citizens and use this information to hold government accountable for obtaining the best possible outcomes with the funds entrusted to it.

I wish to thank the executive for the political leadership shown in the budget process, our government colleagues for all of their efforts and contributions, and my team at the department for working diligently to bring it all together.



**Dondo Mogajane**  
**Director-General: National Treasury**



# Introduction

## **The Estimates of National Expenditure publications**

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2019 MTEF period is from 2019/20 to 2021/22.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives set out the institution's purpose (and that of its programmes), its mandate and programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2019 ENE Overview publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za) and summarises the ENE information across all votes. The 2019 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.



# **Higher Education and Training**

**National Treasury**

**Republic of South Africa**



# Contents

|  |           |
|--|-----------|
| <b>Budget summary</b> .....  | <b>1</b>  |
| <b>Vote purpose</b> .....  | <b>1</b>  |
| <b>Mandate</b> .....   | <b>1</b>  |
| <b>Selected performance indicators</b> .....                                 | <b>2</b>  |
| <b>Expenditure analysis</b> .....  | <b>2</b>  |
| <b>Expenditure trends</b> .....  | <b>4</b>  |
| <b>Expenditure estimates</b> .....   | <b>5</b>  |
| <b>Expenditure trends and estimates for significant spending items</b> ..... | <b>6</b>  |
| <b>Goods and services expenditure trends and estimates</b> .....             | <b>7</b>  |
| <b>Transfers and subsidies expenditure trends and estimates</b> .....        | <b>7</b>  |
| <b>Personnel information</b> .....   | <b>8</b>  |
| <b>Departmental receipts</b> .....   | <b>9</b>  |
| <b>Programme 1: Administration</b> .....                                     | <b>9</b>  |
| <b>Personnel information</b> .....   | <b>10</b> |
| <b>Programme 2: Planning, Policy and Strategy</b> .....                      | <b>10</b> |
| <b>Programme 3: University Education</b> .....                               | <b>13</b> |
| <b>Personnel information</b> .....   | <b>15</b> |
| <b>Programme 4: Technical and Vocational Education and Training</b> .....    | <b>15</b> |
| <b>Programme 5: Skills Development</b> .....                                 | <b>18</b> |
| <b>Programme 6: Community Education and Training</b> .....                   | <b>19</b> |
| <b>Entities</b> .....  | <b>22</b> |
| <b>Additional tables</b> .....   | <b>39</b> |

# Vote 15

## Higher Education and Training

### Budget summary

| R million  | 2019/20          |                  |                         |                             | 2020/21          | 2021/22          |
|--|------------------|------------------|-------------------------|-----------------------------|------------------|------------------|
|  | Total            | Current payments | Transfers and subsidies | Payments for capital assets | Total            | Total            |
| <b>MTEF allocation</b>                                 |                  |                  |                         |                             |                  |                  |
| Administration   | 460.4            | 455.0            | –                       | 5.5                         | 491.6            | 519.8            |
| Planning, Policy and Strategy                          | 90.8             | 86.6             | 3.9                     | 0.3                         | 98.1             | 103.1            |
| University Education                                   | 73 409.9         | 102.2            | 73 307.2                | 0.5                         | 80 660.1         | 85 097.1         |
| Technical and Vocational Education and Training        | 12 721.8         | 7 134.8          | 5 584.7                 | 2.3                         | 14 475.2         | 15 451.3         |
| Skills Development                                     | 282.4            | 142.3            | 138.4                   | 1.8                         | 299.6            | 318.8            |
| Community Education and Training                       | 2 532.8          | 2 379.3          | 151.7                   | 1.8                         | 2 714.7          | 2 888.9          |
| <b>Subtotal</b>  | <b>89 498.2</b>  | <b>10 300.2</b>  | <b>79 185.9</b>         | <b>12.0</b>                 | <b>98 739.3</b>  | <b>104 378.9</b> |
| <b>Direct charge against the National Revenue Fund</b> |                  |                  |                         |                             |                  |                  |
| Sector Education and Training Authorities              | 15 006.8         | –                | 15 006.8                | –                           | 16 349.9         | 17 845.8         |
| National Skills Fund                                   | 3 751.7          | –                | 3 751.7                 | –                           | 4 087.5          | 4 461.5          |
| <b>Total expenditure estimates</b>                     | <b>108 256.7</b> | <b>10 300.2</b>  | <b>97 944.4</b>         | <b>12.0</b>                 | <b>119 176.8</b> | <b>126 686.2</b> |

Executive authority Minister of Higher Education and Training  
Accounting officer Director-General of Higher Education and Training  
Website address [www.dhet.gov.za](http://www.dhet.gov.za)

*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 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 Authority; sector education and training authorities; 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 establishment of the national qualifications framework, the South African Qualifications Authority and quality councils, their functions as well as their sub-frameworks.

## Selected performance indicators

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

| Indicator   | Programme                                       | MTSF outcome   | Past            |            |                      | Current                | Projections |           |           |
|---|---|--|-----------------|------------|----------------------|------------------------|-------------|-----------|-----------|
|   |   |  | 2015/16         | 2016/17    | 2017/18              | 2018/19                | 2019/20     | 2020/21   | 2021/22   |
| Number of students enrolled in higher education institutions per year   | University Education                            | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 969 154         | 985 212    | 975 837 <sup>1</sup> | 1 039 500 <sup>2</sup> | 1 070 000   | 1 080 000 | 1 094 000 |
| Number of first-year students in foundation programmes per year   | University Education                            |  | 19 212          | 17 977     | 20 685               | 22 200 <sup>2</sup>    | 36 000      | 24 500    | 25 750    |
| Number of graduates in initial teacher education from universities per year   | University Education                            |  | 19 124          | 20 698     | 22 123               | 25 212 <sup>2</sup>    | 26 600      | 23 300    | 27 550    |
| Total number of doctoral graduates from universities per year   | University Education                            |  | 2 258           | 2 530      | 2 797                | 2 965 <sup>2</sup>     | 3 400       | 2 960     | 3 260     |
| Number of postgraduate graduates per year   | University Education                            |  | 49 863          | 51 050     | 53 663               | 56 384 <sup>2</sup>    | 57 000      | 58 600    | 59 750    |
| Number of headcount enrolments in TVET colleges per year  | Technical and Vocational Education and Training |  | 710 535         | 741 542    | 703 705 <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 |  | 298 457         | 225 557    | 225 257              | 449 697                | 484 111     | 513 614   | 569 380   |
| Percentage of public TVET college examination centres conducting national examinations and assessments evaluated per year | Technical and Vocational Education and Training |  | 87.5% (210/240) | 100% (240) | 100% (240)           | 100% (240)             | 100%        | 100%      | 100%      |
| Number of monitoring and evaluation reports on TVET colleges approved per year  | Technical and Vocational Education and Training |  | 2               | 2          | 16                   | 16                     | 13          | 11        | 11        |
| Number of new artisans registered for training each year  | Skills Development                              |  | 28 640          | 30 814     | 32 330               | 28 750                 | 30 000      | 30 500    | 31 000    |
| Number of artisan learners qualified each year  | Skills Development                              |  | 16 114          | 21 188     | 21 151               | 22 188                 | 24 000      | 24 500    | 25 000    |
| Number of work-based learning opportunities created per year  | Skills Development                              |  | 118 582         | 148 517    | 162 659 <sup>4</sup> | 135 000                | 140 000     | 140 000   | 140 000   |
| Number of headcount enrolments in community education and training colleges per year                                      | Community Education and Training                |  | 283 602         | 273 431    | 273 431              | 320 000                | 340 000     | 375 035   | 413 681   |
| Percentage of certification rate per year in the general education and training certificate                               | Community Education and Training                | 39.8%  | 35.9%           | 35.9%      | 40%                  | 45%                    | 47%         | 49%       |           |

1. The main reason for the system not growing as originally targeted is the decline in enrolments at the University of South Africa due to the implementation of more stringent admissions criteria and the online registration system.
2. Targets related to the 2018 academic year are expected to be verified by October 2019.
3. Decrease due to fewer enrolments than anticipated in occupationally directed programmes in TVET colleges.
4. Increase due to the department encouraging and emphasising the need for sector education and training authorities to increase investing in workplace-based learning.

## Expenditure analysis

Chapter 9 of the National Development Plan (NDP) sets out a vision for improving education, training and innovation in South Africa. This vision is expressed in terms of outcome 5 (a skilled and and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework. The work of the department is directly aligned with this outcome as it aims to provide access to education and training of

the highest quality, leading to significant improvements in what learners know and are able to do once they complete their higher education or training. Over the medium term, the department will continue to focus on: transforming universities and increasing student financial aid, improving the performance of TVET colleges, developing artisans, and improving the community education and training sector.

Cabinet has approved budget reductions amounting to R384.4 million over the MTEF period, to be effected on transfers and subsidies in the *University Education*, the *Technical and Vocational Education and Training*, and the *Skills Development* programmes. The following reductions are mainly in the *Technical and Vocational Education and Training* programme: R50 million in 2019/20 for pension payouts that were concluded in 2018/19 and R200 million in 2019/20 and R100 million in 2020/21 for the operationalisation of new TVET campuses as fewer will be operationalised in these years than projected. Over the same period, Cabinet has approved a freeze on salary increases for senior management staff in public entities earning more than R1.5 million per year and a 2.8 per cent increase for senior managers in public entities earning between R1 million and R1.49 million per year; and reductions to spending on goods and services. These reductions are effected on transfers to the following public entities: the Council on Higher Education (R1 million), the National Student Financial Aid Scheme (R22.3 million), the Quality Council for Trades and Occupations (R9.3 million), and the South African Qualifications Authority (R1.8 million).

### ***Transforming universities and increasing student financial aid***

Over the medium term, the department will continue to focus on creating a transformed higher education sector that is of high quality, is demographically representative, and provides students and staff with opportunities through the implementation of the university capacity development programme. Accordingly, the department plans to continue funding 26 universities through transfers in the *University Education* programme. These transfers constitute the department's largest spending area, and increase at an average annual rate of 7.1 per cent, from R38.7 billion in 2018/19 to R47.5 billion in 2021/22. These funds will support enrolments and ensure financial sustainability, an improved quality of higher education and affordable university fees. Included in these transfers to universities is an additional allocation of R120 million in 2019/20, made through the budget facility for infrastructure, for the student housing infrastructure programmes at Nelson Mandela University, Sefako Makgatho Health Sciences University and Vaal University of Technology.

Transfers to the National Student Financial Aid Scheme are expected to increase at an average annual rate of 22.4 per cent, from R20.3 billion in 2018/19 to R37.3 billion in 2021/22. This increase is due to an additional allocation of R43.4 billion in the 2018 budget for the phasing in of the new departmental bursary scheme for students from poor and working class families.

### ***Improving the performance of TVET colleges***

The department is mandated to provide quality skills programmes that address the need in the labour market for intermediate skills accompanied by practical training. In this regard, over the MTEF period, the department will focus on monitoring students' performance and TVET colleges' adherence to governance standards, and implementing teaching and learning support plans in TVET colleges. To enhance the quality of these improvements in the TVET sector, part of the R1.9 billion allocated over the medium term in the *National Examination and Assessment* subprogramme in the *Technical and Vocational Education and Training* programme will be used to ensure that national examinations and assessments are appropriately conducted to eradicate certification backlogs; and to implement an IT examination services system.

As such, transfers to TVET colleges through the programme are expected to increase at an average annual rate of 18.9 per cent, from R4.3 billion in 2018/19 to R7.2 billion in 2021/22. These transfers include: R967.2 million over the medium term for the operationalisation of 3 new TVET college campuses (Waterberg TVET College in Thabazimbi, Umfolozi TVET College in Nkandla, and Umfolozi TVET College in Bhambanana); and R4.9 billion over the same period for infrastructure-related spending at TVET colleges. As 70 per cent (more than 16 000) of the department's personnel are paid through the *Technical and Vocational Education and Training* programme, spending on compensation of employees accounts for the bulk of the programme's budget, and increases at an average annual rate of 7.2 per cent, from R6.3 billion in 2018/19 to R7.7 billion in 2021/22.

### Developing artisans

Over the MTEF period, the department will focus on providing extended access to programmes in which artisanal skills are developed. These programmes are funded through income generated from the skills development levy, which contributes significantly to the key performance areas of the public skills development system, including artisan development. Income from the levy is transferred directly to sector education and training authorities, and the National Skills Fund, which, in turn, make transfers to relevant trade and quality assurance institutions for occupational qualifications, as these institutions play a pivotal role in ensuring the requisite standards for qualified artisans and the creation of work-based learning opportunities. 91 500 artisans are expected to be trained and 73 500 are expected to qualify over the medium term. Transfers from the skills development levy are expected to increase at an average annual rate of 8.8 per cent, from R17.3 billion in 2018/19 to R22.3 billion in 2021/22.

### Improving the community education and training sector

The department recognises that improving the community education and training sector is crucial for development, as the sector has the potential to provide necessary skills opportunities. As such, the department plans to re-establish the sector for it to contribute more meaningfully to the post-school education and training sector. This entails strengthening the sector's governance by developing steering mechanisms pertaining to the Continuing Education and Training Act (2006), and developing and approving monitoring and evaluation reports by March 2022 to ensure effective oversight of the sector. Spending in the *Community Education and Training* programme increases at an average annual rate of 7 per cent, from R2.4 billion in 2018/19 to R2.9 billion in 2021/22, mainly on compensation of employees. The number of personnel in this programme account for approximately 35 per cent (9 425) of the department's total headcount, the majority of whom are educators in the 3 276 community education and training colleges across South Africa.

## 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  | 2015/16         |                        |                 | 2016/17         |                        |                 | 2017/18         |                        |                 | 2018/19         |                        |                  | 2015/16 - 2018/19                  |   |
| Programme 1  | 318.3           | 359.5                  | 346.8           | 373.7           | 372.7                  | 372.7           | 403.4           | 400.4                  | 393.1           | 432.3           | 446.6                  | 445.9            | 102.0%                             | 98.7%                                       |
| Programme 2  | 54.8            | 58.3                   | 52.0            | 71.5            | 71.6                   | 56.8            | 73.3            | 68.3                   | 67.0            | 80.2            | 79.9                   | 84.3             | 93.0%                              | 93.6%                                       |
| Programme 3  | 32 844.3        | 32 847.4               | 32 898.6        | 39 531.6        | 39 532.5               | 39 515.7        | 41 943.5        | 41 931.7               | 41 929.1        | 59 147.1        | 59 250.2               | 59 254.0         | 100.1%                             | 100.0%                                      |
| Programme 4  | 6 604.2         | 6 642.4                | 6 604.8         | 6 917.2         | 6 960.2                | 7 030.0         | 7 408.2         | 7 460.2                | 7 521.0         | 10 739.7        | 10 727.3               | 10 710.2         | 100.6%                             | 100.2%                                      |
| Programme 5  | 204.5           | 112.6                  | 216.7           | 224.5           | 181.4                  | 180.6           | 244.3           | 249.4                  | 242.5           | 262.6           | 264.5                  | 268.8            | 97.1%                              | 112.5%                                      |
| Programme 6  | 1 911.5         | 1 859.9                | 1 824.4         | 2 069.7         | 2 069.8                | 1 981.7         | 2 234.9         | 2 197.7                | 2 143.2         | 2 358.8         | 2 355.6                | 2 360.8          | 96.9%                              | 98.0%                                       |
| <b>Subtotal</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>52 295.9</b> | <b>73 020.6</b> | <b>73 124.1</b>        | <b>73 124.1</b>  | <b>100.0%</b>                      | <b>100.0%</b>                               |

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

| Programme   | 2015/16         |                        |                 | 2016/17         |                        |                 | 2017/18         |                        |                 | 2018/19         |                        |                  | Average: Annual Outcome/budget (%) | Average: Adjusted Outcome/Adjusted appropriation (%) |
|---|-----------------|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|------------------------|------------------|------------------------------------|--|
|   | Annual budget   | Adjusted appropriation | Audited outcome | Annual budget   | Adjusted appropriation | Audited outcome | Annual budget   | Adjusted appropriation | Audited outcome | Annual budget   | Adjusted appropriation | Revised estimate |                                    |  |
| R million   |                 |                        |                 |                 |                        |                 |                 |                        |                 |                 |                        |                  |                                    |  |
| Direct charge against the National Revenue Fund     | 14 690.0        | 15 156.4               | 15 156.4        | 17 639.6        | 15 462.2               | 15 233.0        | 16 641.5        | 15 770.6               | 16 293.6        | 16 929.4        | 17 312.2               | 17 312.2         | 97.1%                              | 100.5%   |
| Sector Education and Training Authorities           | 11 752.7        | 12 125.9               | 12 125.9        | 14 112.5        | 12 370.5               | 12 199.9        | 13 313.2        | 12 616.4               | 13 094.6        | 13 543.5        | 13 849.7               | 13 849.7         | 97.2%                              | 100.6%   |
| National Skills Fund                                | 2 937.3         | 3 030.5                | 3 030.5         | 3 527.1         | 3 091.7                | 3 033.1         | 3 328.3         | 3 154.1                | 3 199.0         | 3 385.9         | 3 462.4                | 3 462.4          | 96.6%                              | 99.9%  |
| <b>Total</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>68 589.4</b> | <b>89 950.0</b> | <b>90 436.2</b>        | <b>90 436.2</b>  | <b>99.3%</b>                       | <b>100.1%</b>  |
| Change to 2018 Budget estimate                      |                 |                        |                 |                 |                        |                 |                 |                        |                 | 486.2           |                        |                  |                                    |  |
| <b>Economic classification</b>                      |                 |                        |                 |                 |                        |                 |                 |                        |                 |                 |                        |                  |                                    |  |
| <b>Current payments</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>8 651.9</b>  | <b>9 391.5</b>  | <b>9 380.2</b>         | <b>9 380.2</b>   | <b>97.6%</b>                       | <b>99.3%</b>   |
| Compensation of employees                           | 7 308.2         | 7 317.2                | 7 166.4         | 7 839.9         | 7 573.7                | 7 516.6         | 8 425.4         | 8 282.3                | 8 268.0         | 8 957.0         | 8 952.3                | 8 952.3          | 98.1%                              | 99.3%  |
| Goods and services                                  | 493.0           | 379.0                  | 364.9           | 375.3           | 374.6                  | 366.6           | 420.4           | 387.3                  | 383.9           | 434.5           | 427.9                  | 427.9            | 89.6%                              | 98.4%  |
| <b>Transfers and subsidies</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>59 930.3</b> | <b>80 549.9</b> | <b>81 040.8</b>        | <b>81 040.8</b>  | <b>99.6%</b>                       | <b>100.2%</b>  |
| Departmental agencies and accounts                  | 21 363.8        | 21 768.3               | 21 839.4        | 29 255.7        | 27 077.9               | 26 819.2        | 27 043.3        | 26 172.4               | 26 695.5        | 37 533.0        | 37 915.8               | 37 915.8         | 98.3%                              | 100.3%   |
| Higher education institutions                       | 26 243.2        | 26 243.2               | 26 297.1        | 27 964.8        | 27 964.8               | 27 964.6        | 31 606.8        | 31 580.5               | 31 580.3        | 38 559.0        | 38 662.5               | 38 662.5         | 100.1%                             | 100.0%   |
| Foreign governments and international organisations | 3.2             | 3.2                    | 2.6             | 3.3             | 2.9                    | 2.6             | 3.5             | 3.5                    | 3.3             | 3.7             | 3.7                    | 3.7              | 89.6%                              | 92.5%  |
| Non-profit institutions                             | 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         | 4 454.2         | 4 454.2                | 4 454.2          | 107.6%                             | 100.9%   |
| Households  | –               | 0.4                    | 5.3             | –               | 7.6                    | 18.0            | –               | 8.1                    | 16.6            | –               | 4.7                    | 4.7              | –                                  | 214.4%   |
| <b>Payments for capital assets</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>7.1</b>      | <b>8.6</b>      | <b>13.9</b>            | <b>13.9</b>      | <b>108.6%</b>                      | <b>99.0%</b>   |
| Buildings and other fixed structures                | 0.0             | –                      | –               | –               | –                      | –               | –               | –                      | –               | –               | 1.4                    | 1.4              | 14 000.0%                          | 100.0%   |
| Machinery and equipment                             | 12.3            | 10.4                   | 10.1            | 7.7             | 7.7                    | 9.9             | 9.1             | 7.8                    | 7.1             | 8.5             | 12.3                   | 12.3             | 104.4%                             | 102.9%   |
| Software and other intangible assets                | –               | –                      | 0.1             | –               | –                      | 0.1             | –               | 1.7                    | 0.0             | 0.2             | 0.2                    | 0.2              | 233.8%                             | 19.6%  |
| <b>Payments for financial assets</b>                | <b>–</b>        | <b>–</b>               | <b>51.9</b>     | <b>–</b>        | <b>–</b>               | <b>0.1</b>      | <b>–</b>        | <b>–</b>               | <b>0.1</b>      | <b>–</b>        | <b>1.4</b>             | <b>1.4</b>       | <b>–</b>                           | <b>3 931.8%</b>                                      |
| <b>Total</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>68 589.4</b> | <b>89 950.0</b> | <b>90 436.2</b>        | <b>90 436.2</b>  | <b>99.3%</b>                       | <b>100.1%</b>  |

## Expenditure estimates

**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       |                  |                         |                                 |                                  |                 |                  |                         |                                 |
| Programme 1     | 445.9            | 7.4%                    | 0.6%                            | 460.4                            | 491.6           | 519.8            | 5.3%                    | 0.4%                            |
| Programme 2     | 84.3             | 13.1%                   | 0.1%                            | 90.8                             | 98.1            | 103.1            | 6.9%                    | 0.1%                            |
| Programme 3     | 59 254.0         | 21.7%                   | 61.9%                           | 73 409.9                         | 80 660.1        | 85 097.1         | 12.8%                   | 67.1%                           |
| Programme 4     | 10 710.2         | 17.3%                   | 11.4%                           | 12 721.8                         | 14 475.2        | 15 451.3         | 13.0%                   | 12.0%                           |
| Programme 5     | 268.8            | 33.6%                   | 0.3%                            | 282.4                            | 299.6           | 318.8            | 5.8%                    | 0.3%                            |
| Programme 6     | 2 360.8          | 8.3%                    | 3.0%                            | 2 532.8                          | 2 714.7         | 2 888.9          | 7.0%                    | 2.4%                            |
| <b>Subtotal</b> | <b>73 124.1</b>  | <b>20.4%</b>            | <b>77.2%</b>                    | <b>89 498.2</b>                  | <b>98 739.3</b> | <b>104 378.9</b> | <b>12.6%</b>            | <b>82.3%</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                          | 2015/16 - 2018/19 | 2019/20          |                         |                                 |
| R million  |                  |                         |                                 |                                  |                   |                  |                         |                                 |
| <b>Direct charge against the National Revenue Fund</b> | <b>17 312.2</b>  | <b>4.5%</b>             | <b>22.8%</b>                    | <b>18 758.5</b>                  | <b>20 437.4</b>   | <b>22 307.3</b>  | <b>8.8%</b>             | <b>17.7%</b>                    |
| Sector Education and Training Authorities              | 13 849.7         | 4.5%                    | 18.3%                           | 15 006.8                         | 16 349.9          | 17 845.8         | 8.8%                    | 14.2%                           |
| National Skills Fund                                   | 3 462.4          | 4.5%                    | 4.5%                            | 3 751.7                          | 4 087.5           | 4 461.5          | 8.8%                    | 3.5%                            |
| <b>Total</b>   | <b>90 436.2</b>  | <b>16.6%</b>            | <b>100.0%</b>                   | <b>108 256.7</b>                 | <b>119 176.8</b>  | <b>126 686.2</b> | <b>11.9%</b>            | <b>100.0%</b>                   |
| Change to 2018 Budget estimate                         |                  |                         |                                 | (140.9)                          | (111.4)           | (12.2)           |                         |                                 |
| <b>Economic classification</b>                         |                  |                         |                                 |                                  |                   |                  |                         |                                 |
| <b>Current payments</b>                                | <b>9 380.2</b>   | <b>6.8%</b>             | <b>11.9%</b>                    | <b>10 300.2</b>                  | <b>11 097.6</b>   | <b>11 811.6</b>  | <b>8.0%</b>             | <b>9.6%</b>                     |
| Compensation of employees                              | 8 952.3          | 7.0%                    | 11.4%                           | 9 637.7                          | 10 360.5          | 11 034.0         | 7.2%                    | 9.0%                            |
| Goods and services                                     | 427.9            | 4.1%                    | 0.6%                            | 662.5                            | 737.1             | 777.6            | 22.0%                   | 0.6%                            |
| <b>Transfers and subsidies</b>                         | <b>81 040.8</b>  | <b>18.0%</b>            | <b>88.0%</b>                    | <b>97 944.4</b>                  | <b>108 067.5</b>  | <b>114 862.2</b> | <b>12.3%</b>            | <b>90.4%</b>                    |
| Departmental agencies and accounts                     | 37 915.8         | 20.3%                   | 40.4%                           | 49 861.4                         | 56 047.4          | 59 875.6         | 16.5%                   | 45.8%                           |
| Higher education institutions                          | 38 662.5         | 13.8%                   | 44.4%                           | 42 306.7                         | 45 064.0          | 47 542.6         | 7.1%                    | 39.0%                           |
| Foreign governments and international organisations    | 3.7              | 5.4%                    | 0.0%                            | 3.9                              | 4.1               | 4.3              | 5.5%                    | 0.0%                            |
| Non-profit institutions                                | 4 454.2          | 50.2%                   | 3.3%                            | 5 772.4                          | 6 951.9           | 7 439.8          | 18.6%                   | 5.5%                            |
| Households   | 4.7              | 127.9%                  | 0.0%                            | –                                | –                 | –                | -100.0%                 | 0.0%                            |
| <b>Payments for capital assets</b>                     | <b>13.9</b>      | <b>10.2%</b>            | <b>0.0%</b>                     | <b>12.0</b>                      | <b>11.7</b>       | <b>12.4</b>      | <b>-3.8%</b>            | <b>0.0%</b>                     |
| Buildings and other fixed structures                   | 1.4              | –                       | 0.0%                            | –                                | –                 | –                | -100.0%                 | 0.0%                            |
| Machinery and equipment                                | 12.3             | 5.8%                    | 0.0%                            | 12.0                             | 11.6              | 12.3             | 0.1%                    | 0.0%                            |
| Software and other intangible assets                   | 0.2              | –                       | 0.0%                            | 0.0                              | 0.0               | 0.0              | -48.6%                  | 0.0%                            |
| <b>Payments for financial assets</b>                   | <b>1.4</b>       | <b>–</b>                | <b>0.0%</b>                     | <b>–</b>                         | <b>–</b>          | <b>–</b>         | <b>-100.0%</b>          | <b>0.0%</b>                     |
| <b>Total</b>   | <b>90 436.2</b>  | <b>16.6%</b>            | <b>100.0%</b>                   | <b>108 256.7</b>                 | <b>119 176.8</b>  | <b>126 686.2</b> | <b>11.9%</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 (%) | Medium-term expenditure estimate |                    |                    | Average growth rate (%) | Average: Expenditure/ Total Vote (%) |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|---------------------------------|----------------------------------|--------------------|--------------------|-------------------------|--------------------------------------|
|  | 2015/16           | 2016/17           | 2017/18           |                        |                         |                                 | 2018/19                          | 2015/16 - 2018/19  | 2019/20            |                         |                                      |
| R thousand   |                   |                   |                   |                        |                         |                                 |                                  |                    |                    |                         |                                      |
| Subsidies: Community education and training colleges                       | 91 758            | 98 053            | 103 897           | 109 924                | 6.2%                    | 0.2%                            | 148 792                          | 156 812            | 165 437            | 14.6%                   | 0.2%                                 |
| Subsidies: Technical and vocational education and training colleges        | 1 262 521         | 1 566 747         | 1 495 749         | 4 287 538              | 50.3%                   | 4.0%                            | 5 568 665                        | 6 737 111          | 7 213 152          | 18.9%                   | 6.5%                                 |
| Subsidies: Higher education institutions                                   | 26 297 074        | 27 964 560        | 31 580 302        | 38 662 452             | 13.7%                   | 57.5%                           | 42 306 695                       | 45 064 038         | 47 542 560         | 7.1%                    | 47.5%                                |
| National Student Financial Aid Scheme                                      | 6 448 551         | 11 392 674        | 10 143 091        | 20 334 391             | 46.6%                   | 22.3%                           | 30 822 466                       | 35 314 085         | 37 256 162         | 22.4%                   | 33.8%                                |
| Compensation of employees: Community education and training colleges       | 1 712 348         | 1 850 581         | 1 992 758         | 2 178 323              | 8.4%                    | 3.6%                            | 2 347 452                        | 2 519 480          | 2 682 922          | 7.2%                    | 2.7%                                 |
| Compensation of employees: Technical and vocational education and training | 5 119 809         | 5 289 339         | 5 858 992         | 6 274 697              | 7.0%                    | 10.4%                           | 6 743 229                        | 7 253 178          | 7 726 513          | 7.2%                    | 7.7%                                 |
| Sector Education and Training Authorities (SETA)                           | 12 125 894        | 12 199 864        | 13 094 581        | 13 849 729             | 4.5%                    | 23.7%                           | 15 006 808                       | 16 349 947         | 17 845 805         | 8.8%                    | 17.2%                                |
| National Skills Fund (NSF)   | 3 030 539         | 3 033 145         | 3 198 980         | 3 462 432              | 4.5%                    | 5.9%                            | 3 751 702                        | 4 087 486          | 4 461 451          | 8.8%                    | 4.3%                                 |
| <b>Total</b>   | <b>56 088 494</b> | <b>63 394 963</b> | <b>67 468 350</b> | <b>89 159 486</b>      | <b>16.7%</b>            | <b>127.5%</b>                   | <b>106 695 809</b>               | <b>117 482 137</b> | <b>124 894 002</b> | <b>11.9%</b>            | <b>119.8%</b>                        |

## 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 (%) |                   | Medium-term expenditure estimate |                |                | Average growth rate (%) |                   |
|---|-----------------|----------------|----------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|-------------------|
|   | 2015/16         | 2016/17        | 2017/18        |                        | 2018/19                 | 2015/16 - 2018/19 | 2019/20                          | 2020/21        | 2021/22        | 2018/19 - 2021/22       | 2018/19 - 2021/22 |
| R thousand  |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| Administrative fees                                   | 1 024           | 1 084          | 1 094          | 1 087                  | 2.0%                    | 0.3%              | 1 396                            | 1 477          | 1 561          | 12.8%                   | 0.2%              |
| Advertising   | 3 175           | 5 105          | 2 813          | 2 155                  | -12.1%                  | 0.9%              | 2 988                            | 2 917          | 3 104          | 12.9%                   | 0.4%              |
| Minor assets  | 2 725           | 1 867          | 2 065          | 2 698                  | -0.3%                   | 0.6%              | 3 393                            | 3 328          | 3 416          | 8.2%                    | 0.5%              |
| Audit costs: External                                 | 9 525           | 11 181         | 12 384         | 16 804                 | 20.8%                   | 3.2%              | 16 288                           | 17 184         | 18 129         | 2.6%                    | 2.6%              |
| Bursaries: Employees                                  | 2 529           | 272            | 288            | 864                    | -30.1%                  | 0.3%              | 843                              | 875            | 924            | 2.3%                    | 0.1%              |
| Catering: Departmental activities                     | 2 138           | 3 551          | 5 137          | 6 427                  | 44.3%                   | 1.1%              | 6 537                            | 6 823          | 7 058          | 3.2%                    | 1.0%              |
| Communication   | 8 264           | 8 761          | 8 686          | 12 495                 | 14.8%                   | 2.5%              | 11 439                           | 11 989         | 12 689         | 0.5%                    | 1.9%              |
| Computer services                                     | 65 030          | 85 136         | 54 365         | 47 934                 | -9.7%                   | 16.4%             | 135 451                          | 195 079        | 199 765        | 60.9%                   | 22.2%             |
| Consultants: Business and advisory services           | 4 026           | 3 284          | 11 598         | 21 882                 | 75.8%                   | 2.6%              | 24 147                           | 9 631          | 10 163         | -22.6%                  | 2.5%              |
| Legal services  | 1 972           | 9 405          | 7 642          | 5 555                  | 41.2%                   | 1.6%              | 5 333                            | 5 614          | 5 878          | 1.9%                    | 0.9%              |
| Contractors   | 12 075          | 2 167          | 57             | 149                    | -76.9%                  | 0.9%              | 600                              | 607            | 613            | 60.2%                   | 0.1%              |
| Agency and support/outsourced services                | 17 061          | 14 597         | 2 607          | 3 147                  | -43.1%                  | 2.4%              | 2 055                            | 2 127          | 2 169          | -11.7%                  | 0.4%              |
| Entertainment   | 52              | 38             | 35             | 113                    | 29.5%                   | -                 | 119                              | 126            | 133            | 5.6%                    | -                 |
| Fleet services (including government motor transport) | 1 286           | 1 111          | 1 726          | 2 005                  | 16.0%                   | 0.4%              | 2 442                            | 2 657          | 2 740          | 11.0%                   | 0.4%              |
| Inventory: Clothing material and accessories          | -               | -              | -              | 510                    | -                       | -                 | 560                              | 563            | 567            | 3.6%                    | 0.1%              |
| Inventory: Food and food supplies                     | -               | 74             | -              | -                      | -                       | -                 | -                                | -              | -              | -                       | -                 |
| Inventory: Fuel, oil and gas                          | 44              | -              | 150            | 210                    | 68.4%                   | -                 | 720                              | 721            | 722            | 50.9%                   | 0.1%              |
| Inventory: Materials and supplies                     | 1 371           | 2 080          | 2 706          | 3 749                  | 39.8%                   | 0.6%              | 3 793                            | 4 149          | 4 735          | 8.1%                    | 0.6%              |
| Consumable supplies                                   | 4 930           | 3 032          | 2 641          | 5 049                  | 0.8%                    | 1.0%              | 2 870                            | 2 853          | 2 979          | -16.1%                  | 0.5%              |
| Consumables: Stationery, printing and office supplies | 35 931          | 30 391         | 46 032         | 49 402                 | 11.2%                   | 10.5%             | 84 048                           | 85 028         | 87 720         | 21.1%                   | 11.8%             |
| Operating leases                                      | 3 348           | 5 256          | 55 948         | 59 516                 | 161.0%                  | 8.0%              | 57 870                           | 60 863         | 63 893         | 2.4%                    | 9.3%              |
| Rental and hiring                                     | 1 220           | 101            | 210            | 2 568                  | 28.2%                   | 0.3%              | 147                              | 148            | 618            | -37.8%                  | 0.1%              |
| Property payments                                     | 70 070          | 59 100         | 24 449         | 26 532                 | -27.7%                  | 11.7%             | 22 576                           | 23 777         | 24 915         | -2.1%                   | 3.8%              |
| Transport provided: Departmental activity             | 1 273           | 5 329          | 7 004          | 4 615                  | 53.6%                   | 1.2%              | 3 053                            | 3 404          | 3 680          | -7.3%                   | 0.6%              |
| Travel and subsistence                                | 88 580          | 84 373         | 80 492         | 90 743                 | 0.8%                    | 22.3%             | 177 552                          | 194 957        | 213 747        | 33.1%                   | 26.0%             |
| Training and development                              | 2 446           | 2 536          | 2 710          | 4 112                  | 18.9%                   | 0.8%              | 46 110                           | 48 070         | 50 653         | 130.9%                  | 5.7%              |
| Operating payments                                    | 14 651          | 15 636         | 13 323         | 15 674                 | 2.3%                    | 3.8%              | 16 152                           | 16 757         | 18 149         | 5.0%                    | 2.6%              |
| Venues and facilities                                 | 10 157          | 11 100         | 37 740         | 41 940                 | 60.4%                   | 6.5%              | 34 047                           | 35 395         | 36 896         | -4.2%                   | 5.7%              |
| <b>Total</b>  | <b>364 903</b>  | <b>366 567</b> | <b>383 902</b> | <b>427 935</b>         | <b>5.5%</b>             | <b>100.0%</b>     | <b>662 529</b>                   | <b>737 119</b> | <b>777 616</b> | <b>22.0%</b>            | <b>100.0%</b>     |

## Transfers and subsidies expenditure trends and estimates

Table 15.6 Vote transfers and subsidies trends and estimates

|  | Audited outcome   |                   |                   | Adjusted appropriation | Average growth rate (%) |                   | Medium-term expenditure estimate |                   |                   | Average growth rate (%) |                   |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|-------------------|----------------------------------|-------------------|-------------------|-------------------------|-------------------|
|  | 2015/16           | 2016/17           | 2017/18           |                        | 2018/19                 | 2015/16 - 2018/19 | 2019/20                          | 2020/21           | 2021/22           | 2018/19 - 2021/22       | 2018/19 - 2021/22 |
| R thousand   |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                   |
| <b>Households</b>                                      |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                   |
| <b>Social benefits</b>                                 |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                   |
| <b>Current</b>   | <b>5 315</b>      | <b>17 968</b>     | <b>16 605</b>     | <b>4 700</b>           | <b>-4.0%</b>            | <b>-</b>          | <b>-</b>                         | <b>-</b>          | <b>-</b>          | <b>-100.0%</b>          | <b>-</b>          |
| Employee social benefits                               | 5 315             | 17 968            | 16 605            | 4 700                  | -4.0%                   | -                 | -                                | -                 | -                 | -100.0%                 | -                 |
| <b>Departmental agencies and accounts</b>              |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                   |
| <b>Departmental agencies (non-business entities)</b>   |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                   |
| <b>Current</b>   | <b>21 839 390</b> | <b>26 819 212</b> | <b>26 695 546</b> | <b>37 915 752</b>      | <b>20.2%</b>            | <b>45.9%</b>      | <b>49 861 396</b>                | <b>56 047 391</b> | <b>59 875 564</b> | <b>16.5%</b>            | <b>50.7%</b>      |
| Employee social benefits                               | 358               | 593               | 162               | -                      | -100.0%                 | -                 | -                                | -                 | -                 | -                       | -                 |
| Education, Training and Development Practices Sector   | 22 781            | 16 238            | 15 158            | 17 949                 | -7.6%                   | -                 | 18 957                           | 19 991            | 21 091            | 5.5%                    | -                 |
| Education and Training Authority                       |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                   |
| National Student Financial Aid Scheme                  | 6 448 551         | 11 392 674        | 10 143 091        | 20 334 391             | 46.6%                   | 19.6%             | 30 822 466                       | 35 314 085        | 37 256 162        | 22.4%                   | 30.8%             |
| Council on Higher Education                            | 40 819            | 40 928            | 47 946            | 50 727                 | 7.5%                    | 0.1%              | 53 210                           | 56 194            | 59 285            | 5.3%                    | 0.1%              |
| South African Qualifications Authority                 | 54 757            | 56 895            | 64 940            | 66 719                 | 6.8%                    | 0.1%              | 69 893                           | 73 737            | 77 793            | 5.3%                    | 0.1%              |
| Quality Council for Trades and Occupations             | 21 848            | 23 138            | 26 920            | 27 380                 | 7.8%                    | -                 | 26 056                           | 27 435            | 28 943            | 1.9%                    | -                 |
| Public Service Sector Education and Training Authority | 93 843            | 55 737            | 103 768           | 106 425                | 4.3%                    | 0.1%              | 112 304                          | 118 516           | 125 034           | 5.5%                    | 0.1%              |

Table 15.6 Vote transfers and subsidies trends and estimates

| R thousand   | Audited outcome   |                   |                   | Adjusted appropriation | Average growth rate (%) | Average Expenditure/ Total (%) | Medium-term expenditure estimate |                    |                    | Average growth rate (%) | Average Expenditure/ Total (%) |         |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|--------------------------------|----------------------------------|--------------------|--------------------|-------------------------|--------------------------------|---------|
|  | 2015/16           | 2016/17           | 2017/18           |                        |                         |                                | 2018/19                          | 2019/20            | 2020/21            |                         |                                | 2021/22 |
|  | 2015/16 - 2018/19 | 2019/20           | 2020/21           |                        |                         |                                | 2021/22                          | 2018/19 - 2021/22  |                    |                         |                                |         |
| Sector Education and Training Authorities  | 12 125 894        | 12 199 864        | 13 094 581        | 13 849 729             | 4.5%                    | 20.8%                          | 15 006 808                       | 16 349 947         | 17 845 805         | 8.8%                    | 15.7%                          |         |
| National Skills Fund   | 3 030 539         | 3 033 145         | 3 198 980         | 3 462 432              | 4.5%                    | 5.2%                           | 3 751 702                        | 4 087 486          | 4 461 451          | 8.8%                    | 3.9%                           |         |
| <b>Non-profit institutions</b>   |                   |                   |                   |                        |                         |                                |                                  |                    |                    |                         |                                |         |
| <b>Current</b>   | <b>1 362 040</b>  | <b>1 672 972</b>  | <b>1 634 550</b>  | <b>3 154 218</b>       | <b>32.3%</b>            | <b>3.2%</b>                    | <b>4 288 434</b>                 | <b>5 304 923</b>   | <b>5 702 194</b>   | <b>21.8%</b>            | <b>4.6%</b>                    |         |
| Universities South Africa  | 7 761             | 8 172             | 8 581             | 17 919                 | 32.2%                   | -                              | 18 781                           | 19 813             | 20 903             | 5.3%                    | -                              |         |
| National Institute for the Humanities and Social Sciences                            | -                 | -                 | 26 323            | 38 837                 | -                       | -                              | 36 196                           | 38 187             | 40 287             | 1.2%                    | -                              |         |
| Technical and Vocational Education and Training colleges                             | 1 262 521         | 1 566 747         | 1 495 749         | 2 987 538              | 33.3%                   | 3.0%                           | 3 884 665                        | 4 768 111          | 5 030 357          | 19.0%                   | 4.1%                           |         |
| Operationalization of new campuses   | -                 | -                 | -                 | -                      | -                       | -                              | 200 000                          | 322 000            | 445 210            | -                       | 0.2%                           |         |
| Community Education and Training colleges  | 91 758            | 98 053            | 103 897           | 109 924                | 6.2%                    | 0.2%                           | 148 792                          | 156 812            | 165 437            | 14.6%                   | 0.1%                           |         |
| <b>Capital</b>   | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>1 300 000</b>       | <b>-</b>                | <b>0.5%</b>                    | <b>1 484 000</b>                 | <b>1 647 000</b>   | <b>1 737 585</b>   | <b>10.2%</b>            | <b>1.5%</b>                    |         |
| Infrastructure efficiency grant  | -                 | -                 | -                 | 1 300 000              | -                       | 0.5%                           | 1 484 000                        | 1 647 000          | 1 737 585          | 10.2%                   | 1.5%                           |         |
| <b>Foreign governments and international organisations</b>                           |                   |                   |                   |                        |                         |                                |                                  |                    |                    |                         |                                |         |
| <b>Current</b>   | <b>2 588</b>      | <b>2 648</b>      | <b>3 306</b>      | <b>3 691</b>           | <b>12.6%</b>            | <b>-</b>                       | <b>3 898</b>                     | <b>4 112</b>       | <b>4 338</b>       | <b>5.5%</b>             | <b>-</b>                       |         |
| India-Brazil-South Africa Trilateral Commission                                      | -                 | -                 | 553               | 585                    | -                       | -                              | 618                              | 652                | 688                | 5.6%                    | -                              |         |
| Commonwealth of Learning   | 2 588             | 2 648             | 2 753             | 3 106                  | 6.3%                    | -                              | 3 280                            | 3 460              | 3 650              | 5.5%                    | -                              |         |
| <b>Higher education institutions</b>   |                   |                   |                   |                        |                         |                                |                                  |                    |                    |                         |                                |         |
| <b>Current</b>   | <b>22 991 096</b> | <b>24 563 055</b> | <b>28 092 221</b> | <b>34 866 933</b>      | <b>14.9%</b>            | <b>44.8%</b>                   | <b>38 314 951</b>                | <b>40 963 983</b>  | <b>43 235 230</b>  | <b>7.4%</b>             | <b>39.2%</b>                   |         |
| University subsidies   | 22 360 447        | 23 820 220        | 27 256 459        | 33 737 006             | 14.7%                   | 43.4%                          | 36 984 104                       | 39 460 838         | 41 649 413         | 7.3%                    | 37.8%                          |         |
| Academic clinical training grant   | 429 635           | 452 406           | 475 026           | 574 334                | 10.2%                   | 0.8%                           | 650 722                          | 709 512            | 748 535            | 9.2%                    | 0.7%                           |         |
| University of Mpumalanga   | 58 111            | 186 585           | 212 611           | 324 398                | 77.4%                   | 0.3%                           | 375 841                          | 440 498            | 464 725            | 12.7%                   | 0.4%                           |         |
| Sol Plaatje University   | 142 903           | 103 844           | 148 125           | 231 195                | 17.4%                   | 0.3%                           | 304 284                          | 353 135            | 372 557            | 17.2%                   | 0.3%                           |         |
| <b>Capital</b>   | <b>3 305 978</b>  | <b>3 401 505</b>  | <b>3 488 081</b>  | <b>3 795 519</b>       | <b>4.7%</b>             | <b>5.7%</b>                    | <b>3 991 744</b>                 | <b>4 100 055</b>   | <b>4 307 330</b>   | <b>4.3%</b>             | <b>4.0%</b>                    |         |
| University government and interest/redemption  | 4 778             | 4 756             | 4 746             | 3 484                  | -10.0%                  | -                              | 3 785                            | 3 533              | 3 450              | -0.3%                   | -                              |         |
| Universities infrastructure and efficiency fund                                      | 1 981 200         | 2 343 749         | 2 504 853         | 2 688 063              | 10.7%                   | 3.9%                           | 2 838 594                        | 2 994 717          | 3 141 476          | 5.3%                    | 2.9%                           |         |
| University of the Witwatersrand: University of Mpumalanga and Sol Plaatje University | 1 320 000         | -                 | -                 | -                      | -100.0%                 | 0.5%                           | -                                | -                  | -                  | -                       | -                              |         |
| University of Mpumalanga   | -                 | 673 920           | 624 552           | 638 508                | -                       | 0.8%                           | 665 948                          | 700 570            | 739 101            | 5.0%                    | 0.7%                           |         |
| Sol Plaatje University   | -                 | 379 080           | 353 930           | 362 034                | -                       | 0.4%                           | 378 417                          | 401 235            | 423 303            | 5.3%                    | 0.4%                           |         |
| Sefako Makgatho Health Sciences University   | -                 | -                 | -                 | 31 250                 | -                       | -                              | 31 200                           | -                  | -                  | -100.0%                 | -                              |         |
| Nelson Mandela University  | -                 | -                 | -                 | 33 500                 | -                       | -                              | 33 500                           | -                  | -                  | -100.0%                 | -                              |         |
| Vaal University of Technology  | -                 | -                 | -                 | 38 680                 | -                       | -                              | 40 300                           | -                  | -                  | -100.0%                 | -                              |         |
| <b>Total</b>   | <b>49 506 407</b> | <b>56 477 360</b> | <b>59 930 309</b> | <b>81 040 813</b>      | <b>17.9%</b>            | <b>100.0%</b>                  | <b>97 944 423</b>                | <b>108 067 464</b> | <b>114 862 241</b> | <b>12.3%</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 2019 |   | 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 (%) |            |               |                 |            |              |               |
|  |   |   | 2017/18  | 2018/19        | 2019/20          | 2020/21       | 2021/22                          |            |               |                |            |                         |                                |            |               |                 |            |              |               |
|  |   |   | Unit   | Unit           | Unit             | Unit          | Unit                             | Unit       | Unit          | Unit           |            |                         |                                |            |               |                 |            |              |               |
|  |   |   | Number   | Cost cost      | Number           | Cost cost     | Number                           | Cost cost  | Number        | Cost cost      | Number     | Cost cost               |                                |            |               |                 |            |              |               |
| <b>Higher Education and Training</b>               | <b>32 730</b>                               | <b>176</b>                                      | <b>27 152</b>  | <b>8 268.0</b> | <b>0.3</b>       | <b>26 821</b> | <b>8 952.3</b>                   | <b>0.3</b> | <b>26 839</b> | <b>9 637.7</b> | <b>0.4</b> | <b>26 830</b>           | <b>10 360.5</b>                | <b>0.4</b> | <b>26 526</b> | <b>11 034.0</b> | <b>0.4</b> | <b>-0.4%</b> | <b>100.0%</b> |
| 1-6  | 8 901                                       | 169   | 9 336  | 1 963.2        | 0.2              | 8 961         | 2 196.3                          | 0.2        | 8 970         | 2 372.0        | 0.3        | 8 961                   | 2 562.6                        | 0.3        | 8 657         | 2 689.4         | 0.3        | -1.1%        | 33.2%         |
| 7-10   | 9 377                                       | 5   | 9 303  | 4 079.9        | 0.4              | 9 335         | 4 200.9                          | 0.5        | 9 333         | 4 522.9        | 0.5        | 9 333                   | 4 879.9                        | 0.5        | 9 333         | 5 255.2         | 0.6        | -0.0%        | 34.9%         |
| 11-12  | 611   | -   | 581  | 291.3          | 0.5              | 587           | 511.3                            | 0.9        | 587           | 546.8          | 0.9        | 587                     | 585.9                          | 1.0        | 587           | 626.6           | 1.1        | -            | 2.2%          |
| 13-16  | 181   | 2   | 157  | 176.9          | 1.1              | 163           | 215.9                            | 1.3        | 174           | 246.6          | 1.4        | 174                     | 264.3                          | 1.5        | 174           | 282.6           | 1.6        | 2.2%         | 0.6%          |
| Other  | 13 660                                      | -   | 7 775  | 1 756.8        | 0.2              | 7 775         | 1 827.9                          | 0.2        | 7 775         | 1 949.4        | 0.3        | 7 775                   | 2 067.9                        | 0.3        | 7 775         | 2 180.1         | 0.3        | -            | 29.1%         |
| <b>Programme</b>                                   | <b>32 730</b>                               | <b>176</b>                                      | <b>27 152</b>  | <b>8 268.0</b> | <b>0.3</b>       | <b>26 821</b> | <b>8 952.3</b>                   | <b>0.3</b> | <b>26 839</b> | <b>9 637.7</b> | <b>0.4</b> | <b>26 830</b>           | <b>10 360.5</b>                | <b>0.4</b> | <b>26 526</b> | <b>11 034.0</b> | <b>0.4</b> | <b>-0.4%</b> | <b>100.0%</b> |
| Programme 1  | 537   | 114   | 595  | 212.9          | 0.4              | 606           | 247.0                            | 0.4        | 607           | 265.7          | 0.4        | 600                     | 285.5                          | 0.5        | 545           | 302.3           | 0.6        | -3.5%        | 2.2%          |
| Programme 2  | 103   | 25  | 128  | 52.1           | 0.4              | 120           | 70.3                             | 0.6        | 118           | 75.2           | 0.6        | 117                     | 80.7                           | 0.7        | 95            | 84.7            | 0.9        | -7.5%        | 0.4%          |
| Programme 3  | 116   | 5   | 94   | 52.1           | 0.6              | 113           | 75.8                             | 0.7        | 110           | 80.1           | 0.7        | 109                     | 86.0                           | 0.8        | 102           | 91.6            | 0.9        | -3.4%        | 0.4%          |
| Programme 4  | 16 322                                      | 14  | 16 369   | 5 859.0        | 0.4              | 16 262        | 6 257.6                          | 0.4        | 16 297        | 6 743.2        | 0.4        | 16 297                  | 7 253.2                        | 0.4        | 16 079        | 7 726.5         | 0.5        | -0.4%        | 60.7%         |
| Programme 5  | 300   | 18  | 570  | 99.2           | 0.2              | 295           | 118.1                            | 0.4        | 282           | 126.0          | 0.4        | 282                     | 135.7                          | 0.5        | 282           | 145.9           | 0.5        | -1.5%        | 1.1%          |
| Programme 6  | 15 352                                      | -   | 9 396  | 1 992.8        | 0.2              | 9 425         | 2 183.5                          | 0.2        | 9 425         | 2 347.5        | 0.2        | 9 425                   | 2 519.5                        | 0.3        | 9 423         | 2 682.9         | 0.3        | -0.0%        | 35.2%         |

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 (%) |
|---|-----------------|---------------|---------------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|---------------|---------------|-------------------------|----------------------------------|
|   | 2015/16         | 2016/17       | 2017/18       |                   |                  |                         |                                  | 2018/19                       | 2019/20       | 2020/21       |                         |                                  |
| <b>Departmental receipts</b>                              | <b>15 444</b>   | <b>25 549</b> | <b>29 663</b> | <b>29 877</b>     | <b>29 877</b>    | <b>24.6%</b>            | <b>100.0%</b>                    | <b>30 416</b>                 | <b>31 317</b> | <b>35 957</b> | <b>6.4%</b>             | <b>100.0%</b>                    |
| <b>Sales of goods and services produced by department</b> | <b>8 983</b>    | <b>10 218</b> | <b>11 707</b> | <b>10 799</b>     | <b>10 799</b>    | <b>6.3%</b>             | <b>41.5%</b>                     | <b>11 851</b>                 | <b>12 138</b> | <b>12 806</b> | <b>5.8%</b>             | <b>37.3%</b>                     |
| Sales by market establishments                            | 3 534           | 4 459         | 5 182         | 4 249             | 4 249            | 6.3%                    | 17.3%                            | 5 019                         | 5 270         | 5 560         | 9.4%                    | 15.8%                            |
| of which:   |                 |               |               |                   |                  |                         |                                  |                               |               |               |                         |                                  |
| Academic services:  |                 |               |               |                   |                  |                         |                                  |                               |               |               |                         |                                  |
| Temporary accommodation                                   | 218             | 212           | 202           | 225               | 225              | 1.1%                    | 0.9%                             | 322                           | 338           | 357           | 16.6%                   | 1.0%                             |
| Sale of assets less than R5 000                           | -               | -             | -             | -                 | -                | -                       | -                                | 15                            | 16            | 17            | -                       | -                                |
| Commission  | 3 316           | 4 247         | 4 980         | 4 024             | 4 024            | 6.7%                    | 16.5%                            | 4 682                         | 4 916         | 5 186         | 8.8%                    | 14.7%                            |
| Administrative fees                                       | 4 657           | 4 989         | 5 728         | 5 677             | 5 677            | 6.8%                    | 20.9%                            | 5 846                         | 5 838         | 6 159         | 2.8%                    | 18.4%                            |
| of which:   |                 |               |               |                   |                  |                         |                                  |                               |               |               |                         |                                  |
| Exams   | 2 338           | 2 438         | 2 383         | 1 440             | 1 440            | -14.9%                  | 8.6%                             | 2 688                         | 2 522         | 2 661         | 22.7%                   | 7.3%                             |
| Trade test fee  | 2 270           | 2 119         | 2 262         | 2 903             | 2 903            | 8.5%                    | 9.5%                             | 2 881                         | 3 025         | 3 191         | 3.2%                    | 9.4%                             |
| Universities  | 49              | 48            | 434           | 503               | 503              | 117.3%                  | 1.0%                             | 53                            | 56            | 59            | -51.0%                  | 0.5%                             |
| Further education and training                            | -               | 12            | 649           | 831               | 831              | -                       | 1.5%                             | 224                           | 235           | 248           | -33.2%                  | 1.2%                             |
| Sports and club facilities/ Sale of tender documents      | -               | 372           | -             | -                 | -                | -                       | 0.4%                             | -                             | -             | -             | -                       | -                                |
| Other sales   | 792             | 770           | 797           | 873               | 873              | 3.3%                    | 3.2%                             | 986                           | 1 030         | 1 087         | 7.6%                    | 3.1%                             |
| of which:   |                 |               |               |                   |                  |                         |                                  |                               |               |               |                         |                                  |
| Boarding fees   | 122             | 67            | 128           | 131               | 131              | 2.4%                    | 0.4%                             | 159                           | 167           | 176           | 10.3%                   | 0.5%                             |
| Parking   | 67              | 100           | 103           | 103               | 103              | 15.4%                   | 0.4%                             | 100                           | 100           | 106           | 1.0%                    | 0.3%                             |
| Sale of meals and refreshments                            | 195             | 183           | 195           | 196               | 196              | 0.2%                    | 0.8%                             | 202                           | 212           | 224           | 4.6%                    | 0.7%                             |
| Rental  | 408             | 420           | 371           | 443               | 443              | 2.8%                    | 1.6%                             | 525                           | 551           | 581           | 9.5%                    | 1.6%                             |
| Sales of scrap, waste, arms and other used current goods  | 15              | 44            | 3             | 158               | 158              | 119.2%                  | 0.2%                             | 39                            | 41            | 43            | -35.2%                  | 0.2%                             |
| of which:   |                 |               |               |                   |                  |                         |                                  |                               |               |               |                         |                                  |
| Wastepaper  | 15              | 44            | 3             | 158               | 158              | 119.2%                  | 0.2%                             | 39                            | 41            | 43            | -35.2%                  | 0.2%                             |
| Interest, dividends and rent on land                      | 3 791           | 3 433         | 3 706         | 3 908             | 3 908            | 1.0%                    | 14.8%                            | 2 843                         | 2 587         | 5 729         | 13.6%                   | 11.8%                            |
| Interest  | 3 791           | 3 433         | 3 706         | 3 908             | 3 908            | 1.0%                    | 14.8%                            | 2 843                         | 2 587         | 5 729         | 13.6%                   | 11.8%                            |
| Sales of capital assets                                   | 172             | -             | 500           | -                 | -                | -100.0%                 | 0.7%                             | -                             | -             | -             | -                       | -                                |
| Transactions in financial assets and liabilities          | 2 483           | 11 854        | 13 747        | 15 012            | 15 012           | 82.9%                   | 42.9%                            | 15 683                        | 16 551        | 17 379        | 5.0%                    | 50.7%                            |
| <b>Total</b>  | <b>15 444</b>   | <b>25 549</b> | <b>29 663</b> | <b>29 877</b>     | <b>29 877</b>    | <b>24.6%</b>            | <b>100.0%</b>                    | <b>30 416</b>                 | <b>31 317</b> | <b>35 957</b> | <b>6.4%</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 (%) |
|---------------------------------------|-----------------|----------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
|                                       | 2015/16         | 2016/17        | 2017/18        |                        |                         |                                 | 2018/19                          | 2019/20        | 2020/21        |                         |                                 |
| R thousand                            |                 |                |                |                        |                         |                                 |                                  |                |                |                         |                                 |
| Ministry                              | 39 735          | 39 558         | 39 060         | 55 140                 | 11.5%                   | 11.1%                           | 43 673                           | 48 177         | 51 461         | -2.3%                   | 10.3%                           |
| Department Management                 | 51 153          | 56 308         | 44 665         | 53 337                 | 1.4%                    | 13.2%                           | 51 109                           | 54 694         | 58 658         | 3.2%                    | 11.4%                           |
| Corporate Services                    | 126 422         | 143 098        | 153 514        | 164 565                | 9.2%                    | 37.7%                           | 184 792                          | 197 040        | 205 720        | 7.7%                    | 39.2%                           |
| Office of the Chief Financial Officer | 55 663          | 66 443         | 75 377         | 88 496                 | 16.7%                   | 18.3%                           | 98 073                           | 104 697        | 112 058        | 8.2%                    | 21.0%                           |
| Internal Audit                        | 6 676           | 9 025          | 9 143          | 11 172                 | 18.7%                   | 2.3%                            | 11 112                           | 11 781         | 12 537         | 3.9%                    | 2.4%                            |
| Office Accommodation                  | 67 170          | 58 281         | 71 353         | 73 877                 | 3.2%                    | 17.4%                           | 71 671                           | 75 255         | 79 394         | 2.4%                    | 15.6%                           |
| <b>Total</b>                          | <b>346 819</b>  | <b>372 713</b> | <b>393 112</b> | <b>446 587</b>         | <b>8.8%</b>             | <b>100.0%</b>                   | <b>460 430</b>                   | <b>491 644</b> | <b>519 828</b> | <b>5.2%</b>             | <b>100.0%</b>                   |
| Change to 2018 Budget estimate        |                 |                |                | 14 310                 |                         |                                 | (1 719)                          | (2 059)        | (3 915)        |                         |                                 |

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

| Economic classification  | Audited outcome |                |                | Adjusted appropriation<br>2018/19 | Average growth rate (%)<br>2015/16 - 2018/19 | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%)<br>2018/19 - 2021/22 | Average: Expenditure/Total (%) |
|--|-----------------|----------------|----------------|-----------------------------------|--|--------------------------------|----------------------------------|----------------|----------------|--|--------------------------------|
|  | 2015/16         | 2016/17        | 2017/18        |                                   |  |                                | 2019/20                          | 2020/21        | 2021/22        |  |                                |
| R thousand   |                 |                |                |                                   |  |                                |                                  |                |                |  |                                |
| <b>Current payments</b>  | <b>338 139</b>  | <b>366 785</b> | <b>390 068</b> | <b>440 418</b>                    | <b>9.2%</b>                                  | <b>98.5%</b>                   | <b>454 969</b>                   | <b>486 093</b> | <b>513 905</b> | <b>5.3%</b>                                  | <b>98.8%</b>                   |
| Compensation of employees  | 161 657         | 196 833        | 212 930        | 247 728                           | 15.3%  | 52.5%                          | 265 669                          | 285 479        | 302 310        | 6.9%   | 57.4%                          |
| Goods and services <sup>1</sup>                                      | 176 482         | 169 952        | 177 138        | 192 690                           | 3.0%   | 45.9%                          | 189 300                          | 200 614        | 211 595        | 3.2%   | 41.4%                          |
| <i>of which:</i>   |                 |                |                |                                   |  |                                |                                  |                |                |  |                                |
| Audit costs: External  | 9 525           | 11 181         | 12 384         | 13 604                            | 12.6%  | 3.0%                           | 16 288                           | 17 184         | 18 129         | 10.0%  | 3.4%                           |
| Computer services  | 30 603          | 25 354         | 31 333         | 22 418                            | -9.9%  | 7.0%                           | 36 996                           | 38 811         | 41 019         | 22.3%  | 7.3%                           |
| Consultants: Business and advisory services                          | 1 158           | 687            | 8 133          | 19 160                            | 154.8%                                       | 1.9%                           | 7 918                            | 8 342          | 8 807          | -22.8%                                       | 2.3%                           |
| Operating leases   | 2 055           | 1 888          | 52 527         | 54 176                            | 197.6%                                       | 7.1%                           | 52 711                           | 55 419         | 58 117         | 2.4%   | 11.5%                          |
| Property payments  | 67 713          | 58 767         | 22 072         | 22 861                            | -30.4%                                       | 11.0%                          | 22 251                           | 23 412         | 24 590         | 2.5%   | 4.9%                           |
| Travel and subsistence   | 18 048          | 20 497         | 17 932         | 16 959                            | -2.1%  | 4.7%                           | 19 050                           | 21 643         | 22 765         | 10.3%  | 4.2%                           |
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>246</b>      | <b>902</b>     | <b>975</b>     | <b>300</b>                        | <b>6.8%</b>                                  | <b>0.2%</b>                    | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-100.0%</b>                               | <b>-</b>                       |
| Departmental agencies and accounts                                   | 170             | 449            | 54             | -                                 | -100.0%                                      | -                              | -                                | -              | -              | -  | -                              |
| Households   | 76              | 453            | 921            | 300                               | 58.0%  | 0.1%                           | -                                | -              | -              | -100.0%                                      | -                              |
| <b>Payments for capital assets</b>                                   | <b>8 160</b>    | <b>5 026</b>   | <b>1 983</b>   | <b>5 864</b>                      | <b>-10.4%</b>                                | <b>1.3%</b>                    | <b>5 461</b>                     | <b>5 551</b>   | <b>5 923</b>   | <b>0.3%</b>                                  | <b>1.2%</b>                    |
| Machinery and equipment  | 8 072           | 4 968          | 1 983          | 5 704                             | -10.9%                                       | 1.3%                           | 5 461                            | 5 551          | 5 923          | 1.3%   | 1.2%                           |
| Software and other intangible assets                                 | 88              | 58             | -              | 160                               | 22.1%  | -                              | -                                | -              | -              | -100.0%                                      | -                              |
| <b>Payments for financial assets</b>                                 | <b>274</b>      | <b>-</b>       | <b>86</b>      | <b>5</b>                          | <b>-73.7%</b>                                | <b>-</b>                       | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-100.0%</b>                               | <b>-</b>                       |
| <b>Total</b>   | <b>346 819</b>  | <b>372 713</b> | <b>393 112</b> | <b>446 587</b>                    | <b>8.8%</b>                                  | <b>100.0%</b>                  | <b>460 430</b>                   | <b>491 644</b> | <b>519 828</b> | <b>5.2%</b>                                  | <b>100.0%</b>                  |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>0.8%</b>     | <b>0.8%</b>    | <b>0.8%</b>    | <b>0.6%</b>                       | <b>-</b>                                     | <b>-</b>                       | <b>0.5%</b>                      | <b>0.5%</b>    | <b>0.5%</b>    | <b>-</b>                                     | <b>-</b>                       |
| <b>Details of transfers and subsidies</b>                            |                 |                |                |                                   |  |                                |                                  |                |                |  |                                |
| <b>Households</b>  |                 |                |                |                                   |  |                                |                                  |                |                |  |                                |
| <b>Social benefits</b>   |                 |                |                |                                   |  |                                |                                  |                |                |  |                                |
| <b>Current</b>   | <b>76</b>       | <b>453</b>     | <b>921</b>     | <b>300</b>                        | <b>58.0%</b>                                 | <b>0.1%</b>                    | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-100.0%</b>                               | <b>-</b>                       |
| Employee social benefits   | 76              | 453            | 921            | 300                               | 58.0%  | 0.1%                           | -                                | -              | -              | -100.0%                                      | -                              |
| <b>Departmental agencies and accounts</b>                            |                 |                |                |                                   |  |                                |                                  |                |                |  |                                |
| <b>Departmental agencies (non-business entities)</b>                 |                 |                |                |                                   |  |                                |                                  |                |                |  |                                |
| <b>Current</b>   | <b>170</b>      | <b>449</b>     | <b>54</b>      | <b>-</b>                          | <b>-100.0%</b>                               | <b>-</b>                       | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>                                     | <b>-</b>                       |
| Employee social benefits   | 170             | 449            | 54             | -                                 | -100.0%                                      | -                              | -                                | -              | -              | -  | -                              |

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.

## Personnel information

**Table 15.10 Administration personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2019 |   | 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 (%) |           |     |       |        |
|   |   | 2017/18  |      | 2018/19   |                  | 2019/20 |           | 2020/21                          |      | 2021/22   |        | 2018/19 - 2021/22 |           |                         |                                 |           |     |       |        |
|   |   | Number   | Cost | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost | Unit cost | Number | Cost              | Unit cost | Number                  | Cost                            | Unit cost |     |       |        |
| <b>Administration</b>                       |   |  |      |           |                  |         |           |                                  |      |           |        |                   |           |                         |                                 |           |     |       |        |
| Salary level                                | 537   | 114  | 595  | 212.9     | 0.4              | 606     | 247.0     | 0.4                              | 607  | 265.7     | 0.4    | 600               | 285.5     | 0.5                     | 545                             | 302.3     | 0.6 | -3.5% | 100.0% |
| 1-6   | 247   | 107  | 297  | 48.8      | 0.2              | 311     | 66.7      | 0.2                              | 312  | 72.2      | 0.2    | 305               | 77.5      | 0.3                     | 250                             | 79.2      | 0.3 | -7.0% | 50.0%  |
| 7-10  | 216   | 5  | 221  | 80.3      | 0.4              | 221     | 96.3      | 0.4                              | 221  | 103.6     | 0.5    | 221               | 111.7     | 0.5                     | 221                             | 120.2     | 0.5 | -     | 37.5%  |
| 11-12                                       | 41  | -  | 42   | 38.0      | 0.9              | 41      | 36.5      | 0.9                              | 41   | 39.0      | 1.0    | 41                | 41.8      | 1.0                     | 41                              | 44.7      | 1.1 | -     | 7.0%   |
| 13-16                                       | 31  | 2  | 33   | 41.5      | 1.3              | 31      | 43.1      | 1.4                              | 31   | 46.1      | 1.5    | 31                | 49.4      | 1.6                     | 31                              | 52.8      | 1.7 | -     | 5.3%   |
| Other                                       | 2   | -  | 2    | 4.3       | 2.2              | 2       | 4.4       | 2.2                              | 2    | 4.7       | 2.3    | 2                 | 5.0       | 2.5                     | 2                               | 5.4       | 2.7 | -     | 0.3%   |

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

2. Rand million.

## 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 piece of legislation, policy and regulation, and the revision of existing pieces of legislation by March 2022.
- 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 2020 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 UNESCO (the United Nations Educational, Scientific and Cultural Organisation) in the higher education subsystem; 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 those policies.

## Expenditure trends and estimates

**Table 15.11 Planning, Policy and Strategy expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome |               |               | Adjusted appropriation<br>2018/19 | Average growth rate (%)<br>2015/16 - 2018/19 | Average: Expenditure/ Total (%)<br>2015/16 - 2018/19 | Medium-term expenditure estimate |               |                | Average growth rate (%)<br>2018/19 - 2021/22 | Average: Expenditure/ Total (%)<br>2018/19 - 2021/22 |
|---|-----------------|---------------|---------------|-----------------------------------|--|--|----------------------------------|---------------|----------------|--|--|
|   | 2015/16         | 2016/17       | 2017/18       |                                   |  |  | 2019/20                          | 2020/21       | 2021/22        |  |  |
| R thousand  |                 |               |               |                                   |  |  |                                  |               |                |  |  |
| Programme Management: Planning, Policy and Strategy             | 3 222           | 2 189         | 2 661         | 2 583                             | -7.1%  | 4.2%   | 3 166                            | 3 381         | 3 626          | 12.0%  | 3.4%   |
| Human Resource Development, Strategic Planning and Coordination | 14 816          | 15 770        | 17 117        | 20 715                            | 11.8%  | 26.8%  | 23 111                           | 24 765        | 25 855         | 7.7%   | 25.4%  |
| Planning, Information, Monitoring and Evaluation Coordination   | 10 707          | 9 871         | 12 809        | 16 493                            | 15.5%  | 19.5%  | 22 553                           | 24 170        | 25 688         | 15.9%  | 23.9%  |
| International Relations   | 11 242          | 11 961        | 13 270        | 14 748                            | 9.5%   | 20.0%  | 15 164                           | 17 303        | 18 154         | 7.2%   | 17.6%  |
| Legal and Legislative Services                                  | 7 464           | 11 945        | 15 155        | 17 711                            | 33.4%  | 20.4%  | 19 319                           | 20 519        | 21 336         | 6.4%   | 21.2%  |
| Social Inclusion in Education                                   | 4 568           | 5 080         | 5 963         | 7 654                             | 18.8%  | 9.1%   | 7 458                            | 7 976         | 8 443          | 3.3%   | 8.5%   |
| <b>Total</b>  | <b>52 019</b>   | <b>56 816</b> | <b>66 975</b> | <b>79 904</b>                     | <b>15.4%</b>                                 | <b>100.0%</b>  | <b>90 771</b>                    | <b>98 114</b> | <b>103 102</b> | <b>8.9%</b>                                  | <b>100.0%</b>  |
| Change to 2018 Budget estimate                                  |                 |               |               | (250)                             |  |  | 4 655                            | 4 223         | 3 286          |  |  |

**Table 15.11 Planning, Policy and Strategy expenditure trends and estimates by subprogramme and economic classification**

| Economic classification  | Audited outcome |               |               | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |               |                   | Average growth rate (%) | Average: Expenditure/Total (%) |
|--|-----------------|---------------|---------------|------------------------|-------------------------|--------------------------------|----------------------------------|---------------|-------------------|-------------------------|--------------------------------|
|  | 2015/16         | 2016/17       | 2017/18       |                        |                         |                                | 2018/19                          | 2019/20       | 2020/21           |                         |                                |
| R thousand   | 2015/16         | 2016/17       | 2017/18       | 2018/19                | 2015/16 - 2018/19       | 2019/20                        | 2020/21                          | 2021/22       | 2018/19 - 2021/22 | 2018/19 - 2021/22       |                                |
| <b>Current payments</b>  | <b>49 149</b>   | <b>53 680</b> | <b>63 240</b> | <b>75 708</b>          | <b>15.5%</b>            | <b>94.5%</b>                   | <b>86 574</b>                    | <b>93 699</b> | <b>98 405</b>     | <b>9.1%</b>             | <b>95.3%</b>                   |
| Compensation of employees  | 42 479          | 44 362        | 52 063        | 65 856                 | 15.7%                   | 80.1%                          | 75 194                           | 80 687        | 84 720            | 8.8%                    | 82.4%                          |
| Goods and services <sup>1</sup>                                      | 6 670           | 9 318         | 11 177        | 9 852                  | 13.9%                   | 14.5%                          | 11 380                           | 13 012        | 13 685            | 11.6%                   | 12.9%                          |
| <i>of which:</i>   |                 |               |               |                        |                         |                                |                                  |               |                   |                         |                                |
| <i>Communication</i>   | 815             | 744           | 539           | 563                    | -11.6%                  | 1.0%                           | 739                              | 765           | 821               | 13.4%                   | 0.8%                           |
| <i>Computer services</i>   | 139             | 29            | 340           | 421                    | 44.7%                   | 0.4%                           | 434                              | 509           | 600               | 12.5%                   | 0.5%                           |
| <i>Legal services</i>  | 966             | 3 674         | 5 658         | 4 762                  | 70.2%                   | 5.9%                           | 4 833                            | 5 104         | 5 311             | 3.7%                    | 5.4%                           |
| <i>Consumables: Stationery, printing and office supplies</i>         | 855             | 724           | 577           | 701                    | -6.4%                   | 1.1%                           | 881                              | 836           | 901               | 8.7%                    | 0.9%                           |
| <i>Travel and subsistence</i>  | 2 793           | 2 983         | 2 976         | 2 526                  | -3.3%                   | 4.4%                           | 3 468                            | 4 694         | 4 871             | 24.5%                   | 4.2%                           |
| <i>Operating payments</i>  | 207             | 375           | 402           | 231                    | 3.7%                    | 0.5%                           | 302                              | 345           | 374               | 17.4%                   | 0.3%                           |
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>2 606</b>    | <b>2 726</b>  | <b>3 393</b>  | <b>3 691</b>           | <b>12.3%</b>            | <b>4.9%</b>                    | <b>3 898</b>                     | <b>4 112</b>  | <b>4 338</b>      | <b>5.5%</b>             | <b>4.3%</b>                    |
| Departmental agencies and accounts                                   | 7               | 16            | 2             | -                      | -100.0%                 | -                              | -                                | -             | -                 | -                       | -                              |
| Foreign governments and international organisations                  | 2 588           | 2 648         | 3 306         | 3 691                  | 12.6%                   | 4.8%                           | 3 898                            | 4 112         | 4 338             | 5.5%                    | 4.3%                           |
| Households   | 11              | 62            | 85            | -                      | -100.0%                 | 0.1%                           | -                                | -             | -                 | -                       | -                              |
| <b>Payments for capital assets</b>                                   | <b>264</b>      | <b>410</b>    | <b>341</b>    | <b>499</b>             | <b>23.6%</b>            | <b>0.6%</b>                    | <b>299</b>                       | <b>303</b>    | <b>359</b>        | <b>-10.4%</b>           | <b>0.4%</b>                    |
| Machinery and equipment  | 240             | 410           | 341           | 499                    | 27.6%                   | 0.6%                           | 299                              | 303           | 359               | -10.4%                  | 0.4%                           |
| Software and other intangible assets                                 | 24              | -             | -             | -                      | -100.0%                 | -                              | -                                | -             | -                 | -                       | -                              |
| <b>Payments for financial assets</b>                                 | <b>-</b>        | <b>-</b>      | <b>1</b>      | <b>6</b>               | <b>-</b>                | <b>-</b>                       | <b>-</b>                         | <b>-</b>      | <b>-</b>          | <b>-100.0%</b>          | <b>-</b>                       |
| <b>Total</b>   | <b>52 019</b>   | <b>56 816</b> | <b>66 975</b> | <b>79 904</b>          | <b>15.4%</b>            | <b>100.0%</b>                  | <b>90 771</b>                    | <b>98 114</b> | <b>103 102</b>    | <b>8.9%</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>-</b>                | <b>-</b>                       | <b>0.1%</b>                      | <b>0.1%</b>   | <b>0.1%</b>       | <b>-</b>                | <b>-</b>                       |

**Details of transfers and subsidies**

| Households   | 2015/16      | 2016/17      | 2017/18      | 2018/19      | 2015/16 - 2018/19 | 2019/20     | 2020/21      | 2021/22      | 2018/19 - 2021/22 | 2018/19 - 2021/22 |             |
|--|--------------|--------------|--------------|--------------|-------------------|-------------|--------------|--------------|-------------------|-------------------|-------------|
| <b>Social benefits</b>                                     |              |              |              |              |                   |             |              |              |                   |                   |             |
| <b>Current</b>   | <b>11</b>    | <b>62</b>    | <b>85</b>    | <b>-</b>     | <b>-100.0%</b>    | <b>0.1%</b> | <b>-</b>     | <b>-</b>     | <b>-</b>          | <b>-</b>          |             |
| Employee social benefits                                   | 11           | 62           | 85           | -            | -100.0%           | 0.1%        | -            | -            | -                 | -                 |             |
| <b>Departmental agencies and accounts</b>                  |              |              |              |              |                   |             |              |              |                   |                   |             |
| <b>Departmental agencies (non-business entities)</b>       |              |              |              |              |                   |             |              |              |                   |                   |             |
| <b>Current</b>   | <b>7</b>     | <b>16</b>    | <b>2</b>     | <b>-</b>     | <b>-100.0%</b>    | <b>-</b>    | <b>-</b>     | <b>-</b>     | <b>-</b>          | <b>-</b>          |             |
| Employee social benefits                                   | 7            | 16           | 2            | -            | -100.0%           | -           | -            | -            | -                 | -                 |             |
| <b>Foreign governments and international organisations</b> |              |              |              |              |                   |             |              |              |                   |                   |             |
| <b>Current</b>   | <b>2 588</b> | <b>2 648</b> | <b>3 306</b> | <b>3 691</b> | <b>12.6%</b>      | <b>4.8%</b> | <b>3 898</b> | <b>4 112</b> | <b>4 338</b>      | <b>5.5%</b>       | <b>4.3%</b> |
| India-Brazil-South Africa                                  | -            | -            | 553          | 585          | -                 | 0.4%        | 618          | 652          | 688               | 5.6%              | 0.7%        |
| Trilateral Commission                                      | 2 588        | 2 648        | 2 753        | 3 106        | 6.3%              | 4.3%        | 3 280        | 3 460        | 3 650             | 5.5%              | 3.6%        |

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.

**Personnel information****Table 15.12 Planning, Policy and Strategy personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2019 | 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 (%) |     |        |        |
|   |  |   | 2017/18       | 2018/19     | 2019/20          | 2018/19          | 2019/20     | 2020/21          | 2021/22                          | 2018/19 - 2021/22 |                  |               |             |                  |                         |                                 |     |        |        |
| <b>Planning, Policy and Strategy</b>        |  |   | <b>Number</b> | <b>Cost</b> | <b>Unit cost</b> | <b>Number</b>    | <b>Cost</b> | <b>Unit cost</b> | <b>Number</b>                    | <b>Cost</b>       | <b>Unit cost</b> | <b>Number</b> | <b>Cost</b> | <b>Unit cost</b> |                         |                                 |     |        |        |
| Salary level                                | 103  | 25  | 128           | 52.1        | 0.4              | 120              | 70.3        | 0.6              | 118                              | 75.2              | 0.6              | 117           | 80.7        | 0.7              | 95                      | 84.7                            | 0.9 | -7.5%  | 100.0% |
| 1-6   | 7  | 25  | 38            | 1.1         | 0.0              | 30               | 2.8         | 0.1              | 28                               | 2.9               | 0.1              | 27            | 3.0         | 0.1              | 5                       | 1.5                             | 0.3 | -45.0% | 20.0%  |
| 7-10  | 53   | -   | 50            | 16.0        | 0.3              | 50               | 22.7        | 0.5              | 50                               | 24.5              | 0.5              | 50            | 26.4        | 0.5              | 50                      | 28.4                            | 0.6 | -      | 44.4%  |
| 11-12                                       | 25   | -   | 23            | 15.3        | 0.7              | 23               | 20.6        | 0.9              | 23                               | 22.1              | 1.0              | 23            | 23.6        | 1.0              | 23                      | 25.3                            | 1.1 | -      | 20.4%  |
| 13-16                                       | 18   | -   | 17            | 19.6        | 1.2              | 17               | 24.1        | 1.4              | 17                               | 25.8              | 1.5              | 17            | 27.6        | 1.6              | 17                      | 29.5                            | 1.7 | -      | 15.1%  |

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

2. Rand million.

## 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

- Develop and implement policies, guidelines and plans to steer the development of the university education system by March 2022.
- Provide management, statistical and narrative information on higher education through oversight, monitoring and implementation reports annually.
- Build capacity within the university sector by implementing higher education teaching, learning, research and leadership capacity development programmes by March 2022.
- Promote international partnerships within the higher education system through strengthening the Brazil-Russia-India-China-South Africa (BRICS) group of countries and the United States-South Africa higher education networks, and developing the United Kingdom-South Africa network by March 2020.

### 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 15.13 University Education expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme                                     | Audited outcome   |                   |                   | Adjusted appropriation<br>2018/19 | Average growth rate (%) |               | Medium-term expenditure estimate |                   |                   | Average growth rate (%)<br>2018/19 - 2021/22 | Average: Expenditure/ Total (%) |
|--|-------------------|-------------------|-------------------|-----------------------------------|-------------------------|---------------|----------------------------------|-------------------|-------------------|--|---------------------------------|
|  | 2015/16           | 2016/17           | 2017/18           |                                   | 2015/16 - 2018/19       | 2019/20       | 2020/21                          | 2021/22           |                   |  |                                 |
| R thousand                                       |                   |                   |                   |                                   |                         |               |                                  |                   |                   |  |                                 |
| Programme Management: University Education       | 3 915             | 4 320             | 4 871             | 5 681                             | 13.2%                   | –             | 5 934                            | 6 516             | 6 963             | 7.0%   | –                               |
| University Planning and Institutional Funding    | 14 469            | 14 317            | 13 862            | 17 091                            | 5.7%                    | –             | 38 459                           | 24 336            | 23 820            | 11.7%  | –                               |
| Institutional Governance and Management Support  | 6 555 321         | 11 503 511        | 10 269 137        | 20 470 669                        | 46.2%                   | 28.1%         | 31 001 662                       | 35 503 486        | 37 456 895        | 22.3%  | 41.7%                           |
| Higher Education Policy Development and Research | 17 606            | 18 999            | 20 900            | 32 902                            | 23.2%                   | 0.1%          | 33 841                           | 36 413            | 38 678            | 5.5%   | –                               |
| Teaching and Learning Development                | 10 208            | 10 011            | 13 697            | 22 525                            | 30.2%                   | –             | 23 357                           | 25 279            | 28 138            | 7.7%   | –                               |
| University Subsidies                             | 26 297 074        | 27 964 560        | 31 606 625        | 38 701 289                        | 13.7%                   | 71.8%         | 42 306 695                       | 45 064 038        | 47 542 560        | 7.1%   | 58.2%                           |
| <b>Total</b>                                     | <b>32 898 593</b> | <b>39 515 718</b> | <b>41 929 092</b> | <b>59 250 157</b>                 | <b>21.7%</b>            | <b>100.0%</b> | <b>73 409 948</b>                | <b>80 660 068</b> | <b>85 097 054</b> | <b>12.8%</b>                                 | <b>100.0%</b>                   |
| Change to 2018 Budget estimate                   |                   |                   |                   | 103 060                           |                         |               | 114 277                          | (6 154)           | (6 649)           |  |                                 |

**Table 15.13 University Education 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 (%) |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|-------------------|----------------------------------|-------------------|-------------------|-------------------------|--------------------------------|
|  | 2015/16           | 2016/17           | 2017/18           |                        | 2018/19                 | 2015/16 - 2018/19 | 2019/20                          | 2020/21           | 2021/22           |                         |                                |
| R thousand   |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                                |
| <b>Current payments</b>  | <b>49 369</b>     | <b>52 124</b>     | <b>57 681</b>     | <b>78 373</b>          | <b>16.7%</b>            | <b>0.1%</b>       | <b>102 233</b>                   | <b>93 489</b>     | <b>99 526</b>     | <b>8.3%</b>             | <b>0.1%</b>                    |
| Compensation of employees  | 43 468            | 45 918            | 52 129            | 71 948                 | 18.3%                   | 0.1%              | 80 120                           | 85 958            | 91 564            | 8.4%                    | 0.1%                           |
| Goods and services <sup>1</sup>  | 5 901             | 6 206             | 5 552             | 6 425                  | 2.9%                    | -                 | 22 113                           | 7 531             | 7 962             | 7.4%                    | -                              |
| of which:  |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                                |
| Communication  | 613               | 552               | 389               | 403                    | -13.0%                  | -                 | 642                              | 687               | 720               | 21.3%                   | -                              |
| Computer services  | 259               | 145               | 130               | 790                    | 45.0%                   | -                 | 830                              | 871               | 919               | 5.2%                    | -                              |
| Consultants: Business and advisory services  | 3                 | -                 | 8                 | 46                     | 148.4%                  | -                 | 15 034                           | 36                | 39                | -5.4%                   | -                              |
| Consumables: Stationery, printing and office supplies                                | 479               | 391               | 342               | 647                    | 10.5%                   | -                 | 600                              | 587               | 658               | 0.6%                    | -                              |
| Travel and subsistence   | 3 658             | 4 163             | 3 376             | 3 201                  | -4.4%                   | -                 | 3 720                            | 4 011             | 4 343             | 10.7%                   | -                              |
| Venues and facilities  | 275               | 325               | 291               | 226                    | -6.3%                   | -                 | 420                              | 446               | 361               | 16.9%                   | -                              |
| <b>Transfers and subsidies<sup>1</sup></b>   | <b>32 848 998</b> | <b>39 463 316</b> | <b>41 871 218</b> | <b>59 171 245</b>      | <b>21.7%</b>            | <b>99.9%</b>      | <b>73 307 241</b>                | <b>80 566 054</b> | <b>84 996 990</b> | <b>12.8%</b>            | <b>99.9%</b>                   |
| Departmental agencies and accounts   | 6 544 156         | 11 490 525        | 10 255 989        | 20 451 837             | 46.2%                   | 28.1%             | 30 945 569                       | 35 444 016        | 37 393 240        | 22.3%                   | 41.6%                          |
| Higher education institutions  | 26 297 074        | 27 964 560        | 31 580 302        | 38 662 452             | 13.7%                   | 71.7%             | 42 306 695                       | 45 064 038        | 47 542 560        | 7.1%                    | 58.2%                          |
| Non-profit institutions  | 7 761             | 8 172             | 34 904            | 56 756                 | 94.1%                   | 0.1%              | 54 977                           | 58 000            | 61 190            | 2.5%                    | 0.1%                           |
| Households   | 7                 | 59                | 23                | 200                    | 205.7%                  | -                 | -                                | -                 | -                 | -100.0%                 | -                              |
| <b>Payments for capital assets</b>   | <b>226</b>        | <b>278</b>        | <b>193</b>        | <b>531</b>             | <b>32.9%</b>            | <b>-</b>          | <b>474</b>                       | <b>525</b>        | <b>538</b>        | <b>0.4%</b>             | <b>-</b>                       |
| Machinery and equipment  | 226               | 278               | 193               | 531                    | 32.9%                   | -                 | 474                              | 525               | 538               | 0.4%                    | -                              |
| <b>Payments for financial assets</b>   | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>8</b>               | <b>-</b>                | <b>-</b>          | <b>-</b>                         | <b>-</b>          | <b>-</b>          | <b>-100.0%</b>          | <b>-</b>                       |
| <b>Total</b>   | <b>32 898 593</b> | <b>39 515 718</b> | <b>41 929 092</b> | <b>59 250 157</b>      | <b>21.7%</b>            | <b>100.0%</b>     | <b>73 409 948</b>                | <b>80 660 068</b> | <b>85 097 054</b> | <b>12.8%</b>            | <b>100.0%</b>                  |
| <b>Proportion of total programme expenditure to vote expenditure</b>                 | <b>78.4%</b>      | <b>80.4%</b>      | <b>80.2%</b>      | <b>81.0%</b>           | <b>-</b>                | <b>-</b>          | <b>82.0%</b>                     | <b>81.7%</b>      | <b>81.5%</b>      | <b>-</b>                | <b>-</b>                       |
| <b>Details of transfers and subsidies</b>  |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                                |
| <b>Households</b>  |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                                |
| <b>Social benefits</b>   |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                                |
| <b>Current</b>   | <b>7</b>          | <b>59</b>         | <b>23</b>         | <b>200</b>             | <b>205.7%</b>           | <b>-</b>          | <b>-</b>                         | <b>-</b>          | <b>-</b>          | <b>-100.0%</b>          | <b>-</b>                       |
| Employee social benefits   | 7                 | 59                | 23                | 200                    | 205.7%                  | -                 | -                                | -                 | -                 | -100.0%                 | -                              |
| <b>Departmental agencies and accounts</b>  |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                                |
| <b>Departmental agencies (non-business entities)</b>                                 |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                                |
| <b>Current</b>   | <b>6 544 156</b>  | <b>11 490 525</b> | <b>10 255 989</b> | <b>20 451 837</b>      | <b>46.2%</b>            | <b>28.1%</b>      | <b>30 945 569</b>                | <b>35 444 016</b> | <b>37 393 240</b> | <b>22.3%</b>            | <b>41.6%</b>                   |
| Employee social benefits   | 29                | 28                | 12                | -                      | -100.0%                 | -                 | -                                | -                 | -                 | -                       | -                              |
| National Student Financial Aid Scheme  | 6 448 551         | 11 392 674        | 10 143 091        | 20 334 391             | 46.6%                   | 27.8%             | 30 822 466                       | 35 314 085        | 37 256 162        | 22.4%                   | 41.5%                          |
| Council on Higher Education  | 40 819            | 40 928            | 47 946            | 50 727                 | 7.5%                    | 0.1%              | 53 210                           | 56 194            | 59 285            | 5.3%                    | 0.1%                           |
| South African Qualifications Authority   | 54 757            | 56 895            | 64 940            | 66 719                 | 6.8%                    | 0.1%              | 69 893                           | 73 737            | 77 793            | 5.3%                    | 0.1%                           |
| <b>Higher education institutions</b>   |                   |                   |                   |                        |                         |                   |                                  |                   |                   |                         |                                |
| <b>Current</b>   | <b>22 991 096</b> | <b>24 563 055</b> | <b>28 092 221</b> | <b>34 866 933</b>      | <b>14.9%</b>            | <b>63.7%</b>      | <b>38 314 951</b>                | <b>40 963 983</b> | <b>43 235 230</b> | <b>7.4%</b>             | <b>52.7%</b>                   |
| University subsidies   | 22 360 447        | 23 820 220        | 27 256 459        | 33 737 006             | 14.7%                   | 61.7%             | 36 984 104                       | 39 460 838        | 41 649 413        | 7.3%                    | 50.9%                          |
| Academic clinical training grant   | 429 635           | 452 406           | 475 026           | 574 334                | 10.2%                   | 1.1%              | 650 722                          | 709 512           | 748 535           | 9.2%                    | 0.9%                           |
| University of Mpumalanga   | 58 111            | 186 585           | 212 611           | 324 398                | 77.4%                   | 0.5%              | 375 841                          | 440 498           | 464 725           | 12.7%                   | 0.5%                           |
| Sol Plaatje University   | 142 903           | 103 844           | 148 125           | 231 195                | 17.4%                   | 0.4%              | 304 284                          | 353 135           | 372 557           | 17.2%                   | 0.4%                           |
| <b>Capital</b>   | <b>3 305 978</b>  | <b>3 401 505</b>  | <b>3 488 081</b>  | <b>3 795 519</b>       | <b>4.7%</b>             | <b>8.1%</b>       | <b>3 991 744</b>                 | <b>4 100 055</b>  | <b>4 307 330</b>  | <b>4.3%</b>             | <b>5.4%</b>                    |
| University government and interest/redemption  | 4 778             | 4 756             | 4 746             | 3 484                  | -10.0%                  | -                 | 3 785                            | 3 533             | 3 450             | -0.3%                   | -                              |
| Universities infrastructure and efficiency fund                                      | 1 981 200         | 2 343 749         | 2 504 853         | 2 688 063              | 10.7%                   | 5.5%              | 2 838 594                        | 2 994 717         | 3 141 476         | 5.3%                    | 3.9%                           |
| University of the Witwatersrand: University of Mpumalanga and Sol Plaatje University | 1 320 000         | -                 | -                 | -                      | -100.0%                 | 0.8%              | -                                | -                 | -                 | -                       | -                              |
| University of Mpumalanga   | -                 | 673 920           | 624 552           | 638 508                | -                       | 1.1%              | 665 948                          | 700 570           | 739 101           | 5.0%                    | 0.9%                           |
| Sol Plaatje University   | -                 | 379 080           | 353 930           | 362 034                | -                       | 0.6%              | 378 417                          | 401 235           | 423 303           | 5.3%                    | 0.5%                           |

**Table 15.13 University Education expenditure trends and estimates by subprogramme and economic classification**

| Details of transfers and subsidies                        |              |              |               | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |               |                   | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|--------------|--------------|---------------|------------------------|-------------------------|---------------------------------|----------------------------------|---------------|-------------------|-------------------------|---------------------------------|
| Audited outcome   |              |              | 2018/19       |                        |                         |                                 | 2015/16 - 2018/19                | 2019/20       | 2020/21           |                         |                                 |
| R thousand  | 2015/16      | 2016/17      | 2017/18       | 2018/19                | 2015/16 - 2018/19       | 2019/20                         | 2020/21                          | 2021/22       | 2018/19 - 2021/22 | 2018/19 - 2021/22       |                                 |
| Sefako Makgatho Health Sciences University                | -            | -            | -             | 31 250                 | -                       | -                               | 31 200                           | -             | -                 | -100.0%                 | -                               |
| Nelson Mandela University                                 | -            | -            | -             | 33 500                 | -                       | -                               | 33 500                           | -             | -                 | -100.0%                 | -                               |
| Vaal University of Technology                             | -            | -            | -             | 38 680                 | -                       | -                               | 40 300                           | -             | -                 | -100.0%                 | -                               |
| <b>Non-profit institutions</b>                            |              |              |               |                        |                         |                                 |                                  |               |                   |                         |                                 |
| <b>Current</b>  | <b>7 761</b> | <b>8 172</b> | <b>34 904</b> | <b>56 756</b>          | <b>94.1%</b>            | <b>0.1%</b>                     | <b>54 977</b>                    | <b>58 000</b> | <b>61 190</b>     | <b>2.5%</b>             | <b>0.1%</b>                     |
| Universities South Africa                                 | 7 761        | 8 172        | 8 581         | 17 919                 | 32.2%                   | -                               | 18 781                           | 19 813        | 20 903            | 5.3%                    | -                               |
| National Institute for the Humanities and Social Sciences | -            | -            | 26 323        | 38 837                 | -                       | -                               | 36 196                           | 38 187        | 40 287            | 1.2%                    | 0.1%                            |

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.

## Personnel information

**Table 15.14 University Education personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2019 |   | 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 (%) |           |     |        |        |
|   |   | 2017/18  |      | 2018/19   |                  | 2019/20 |           | 2020/21                          |      | 2021/22   |        | 2018/19 - 2021/22 |           |                         |                                 |           |     |        |        |
| University Education                        |   | Number   | Cost | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost | Unit cost | Number | Cost              | Unit cost | Number                  | Cost                            | Unit cost |     |        |        |
| Salary level                                | 116   | 5  | 94   | 52.1      | 0.6              | 113     | 75.8      | 0.7                              | 110  | 80.1      | 0.7    | 109               | 86.0      | 0.8                     | 102                             | 91.6      | 0.9 | -3.4%  | 100.0% |
| 1-6   | 6   | 5  | 9    | 1.6       | 0.2              | 14      | 1.9       | 0.1                              | 13   | 2.0       | 0.2    | 12                | 2.1       | 0.2                     | 5                               | 1.7       | 0.3 | -29.1% | 10.1%  |
| 7-10  | 56  | -  | 41   | 18.0      | 0.4              | 53      | 24.1      | 0.5                              | 51   | 24.9      | 0.5    | 51                | 26.8      | 0.5                     | 51                              | 28.9      | 0.6 | -1.3%  | 47.5%  |
| 11-12                                       | 31  | -  | 26   | 16.6      | 0.6              | 28      | 27.3      | 1.0                              | 28   | 29.2      | 1.0    | 28                | 31.2      | 1.1                     | 28                              | 33.4      | 1.2 | -      | 25.8%  |
| 13-16                                       | 23  | -  | 18   | 15.9      | 0.9              | 18      | 22.5      | 1.3                              | 18   | 24.1      | 1.3    | 18                | 25.8      | 1.4                     | 18                              | 27.6      | 1.5 | -      | 16.6%  |

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

2. Rand million.

## 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 steering mechanisms by March 2022.
- Ensure effectual monitoring and evaluation of the TVET sector by producing 16 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 TVET colleges, and of student support services plans.
- Provide TVET teaching and learning support plans aimed at improving access to quality teaching and learning in TVET colleges by implementing appropriate previously developed plans by March 2022.
- Provide student support services by implementing appropriate student support services plans in support of an improved post-school education and training system by March 2022.

- Develop infrastructure for TVET colleges by operationalising 3 new TVET campuses and implementing a rollout plan for the construction of 9 TVET college campuses to ensure optimal geographic spread by March 2022.
- Ensure a strong TVET stakeholder network by operationalising the South African Institute for Vocational and Continuing Education and Training in support of effective collaboration of stakeholders in the post-school education and training system by March 2022.

## Subprogrammes

- *Programme Management: Technical and Vocational Education and Training* manages the delegated administrative and financial responsibilities, 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 TVET system performance 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 curriculums.
- *National Examination and Assessment* administers and manages the conduct of national assessment in the 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 funding 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 15.15 Technical and Vocational Education and Training 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 (%) |
|---|------------------|------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
|   | 2015/16          | 2016/17          | 2017/18          |                        |                         |                                 | 2019/20                          | 2020/21           | 2021/22           |                         |                                 |
| R thousand  |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| Programme Management: Technical and Vocational Education and Training                     | 6 177            | 4 569            | 4 996            | 4 258                  | -11.7%                  | 0.1%                            | 3 708                            | 4 060             | 4 221             | -0.3%                   | -                               |
| Technical and Vocational Education and Training System Planning and Institutional Support | 6 144 247        | 6 572 115        | 7 083 490        | 10 222 922             | 18.5%                   | 94.2%                           | 12 127 333                       | 13 795 182        | 14 718 564        | 12.9%                   | 95.3%                           |
| Programmes and Qualifications   | 11 482           | 10 860           | 11 303           | 14 150                 | 7.2%                    | 0.1%                            | 17 274                           | 18 972            | 20 339            | 12.9%                   | 0.1%                            |
| National Examination and Assessment   | 439 074          | 437 516          | 413 832          | 475 741                | 2.7%                    | 5.5%                            | 557 906                          | 640 266           | 690 149           | 13.2%                   | 4.4%                            |
| Financial Planning  | 3 830            | 4 927            | 7 399            | 10 268                 | 38.9%                   | 0.1%                            | 15 613                           | 16 728            | 17 977            | 20.5%                   | 0.1%                            |
| <b>Total</b>  | <b>6 604 810</b> | <b>7 029 987</b> | <b>7 521 020</b> | <b>10 727 339</b>      | <b>17.5%</b>            | <b>100.0%</b>                   | <b>12 721 834</b>                | <b>14 475 208</b> | <b>15 451 250</b> | <b>12.9%</b>            | <b>100.0%</b>                   |
| Change to 2018 Budget estimate  |                  |                  |                  | (12 400)               |                         |                                 | (260 645)                        | (109 930)         | (8 698)           |                         |                                 |
| <b>Economic classification</b>  |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current payments</b>   | <b>5 263 170</b> | <b>5 434 713</b> | <b>6 000 761</b> | <b>6 420 200</b>       | <b>6.8%</b>             | <b>72.5%</b>                    | <b>7 134 846</b>                 | <b>7 718 680</b>  | <b>8 217 662</b>  | <b>8.6%</b>             | <b>55.3%</b>                    |
| Compensation of employees   | 5 119 809        | 5 289 339        | 5 858 992        | 6 274 697              | 7.0%                    | 70.7%                           | 6 743 229                        | 7 253 178         | 7 726 513         | 7.2%                    | 52.5%                           |
| Goods and services <sup>1</sup>   | 143 361          | 145 374          | 141 769          | 145 503                | 0.5%                    | 1.8%                            | 391 617                          | 465 502           | 491 149           | 50.0%                   | 2.8%                            |
| of which:   |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| Computer services   | 34 020           | 59 608           | 22 562           | 24 304                 | -10.6%                  | 0.4%                            | 97 191                           | 154 888           | 157 227           | 86.3%                   | 0.8%                            |
| Consumables: Stationery, printing and office supplies                                     | 26 382           | 19 889           | 34 944           | 34 804                 | 9.7%                    | 0.4%                            | 70 897                           | 71 071            | 72 976            | 28.0%                   | 0.5%                            |

**Table 15.15 Technical and Vocational Education and Training expenditure trends and estimates by subprogramme and economic classification**

| Economic classification  | Audited outcome  |                  |                  |                   | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                   |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|------------------|------------------|-------------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|----------------|-------------------------|---------------------------------|
|  | 2015/16          | 2016/17          | 2017/18          | 2018/19           |                        |                         |                                 | 2019/20                          | 2020/21           | 2021/22        |                         |                                 |
|  | 2018/19          | 2019/20          | 2020/21          | 2021/22           |                        |                         |                                 | 2018/19 - 2021/22                |                   |                |                         |                                 |
| R thousand   |                  |                  |                  |                   |                        |                         |                                 |                                  |                   |                |                         |                                 |
| Travel and subsistence   | 53 892           | 41 517           | 35 574           | 35 138            | -13.3%                 | 0.5%                    | 133 916                         | 145 833                          | 162 026           | 66.4%          | 0.9%                    |                                 |
| Training and development   | 12               | -                | 41               | 145               | 129.5%                 | -                       | 36 981                          | 38 701                           | 40 832            | 555.5%         | 0.2%                    |                                 |
| Operating payments   | 11 328           | 11 211           | 9 148            | 9 655             | -5.2%                  | 0.1%                    | 9 833                           | 10 322                           | 11 298            | 5.4%           | 0.1%                    |                                 |
| Venues and facilities  | 7 889            | 6 856            | 29 936           | 30 536            | 57.0%                  | 0.2%                    | 31 147                          | 32 303                           | 33 708            | 3.3%           | 0.2%                    |                                 |
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>1 289 219</b> | <b>1 593 620</b> | <b>1 519 705</b> | <b>4 304 227</b>  | <b>49.5%</b>           | <b>27.3%</b>            | <b>5 584 704</b>                | <b>6 754 033</b>                 | <b>7 231 005</b>  | <b>18.9%</b>   | <b>44.7%</b>            |                                 |
| Departmental agencies and accounts                                   | 22 834           | 13 780           | 14 411           | 15 189            | -12.7%                 | 0.2%                    | 16 039                          | 16 922                           | 17 853            | 5.5%           | 0.1%                    |                                 |
| Non-profit institutions  | 1 262 521        | 1 566 747        | 1 495 749        | 4 287 538         | 50.3%                  | 27.0%                   | 5 568 665                       | 6 737 111                        | 7 213 152         | 18.9%          | 44.6%                   |                                 |
| Households   | 3 864            | 13 093           | 9 545            | 1 500             | -27.1%                 | 0.1%                    | -                               | -                                | -                 | -100.0%        | -                       |                                 |
| <b>Payments for capital assets</b>                                   | <b>1 075</b>     | <b>1 538</b>     | <b>549</b>       | <b>1 950</b>      | <b>22.0%</b>           | <b>-</b>                | <b>2 284</b>                    | <b>2 495</b>                     | <b>2 583</b>      | <b>9.8%</b>    | <b>-</b>                |                                 |
| Machinery and equipment  | 1 075            | 1 538            | 529              | 1 926             | 21.5%                  | -                       | 2 260                           | 2 470                            | 2 558             | 9.9%           | -                       |                                 |
| Software and other intangible assets                                 | -                | -                | 20               | 24                | -                      | -                       | 24                              | 25                               | 25                | 1.4%           | -                       |                                 |
| <b>Payments for financial assets</b>                                 | <b>51 346</b>    | <b>116</b>       | <b>5</b>         | <b>962</b>        | <b>-73.4%</b>          | <b>0.2%</b>             | <b>-</b>                        | <b>-</b>                         | <b>-</b>          | <b>-100.0%</b> | <b>-</b>                |                                 |
| <b>Total</b>   | <b>6 604 810</b> | <b>7 029 987</b> | <b>7 521 020</b> | <b>10 727 339</b> | <b>17.5%</b>           | <b>100.0%</b>           | <b>12 721 834</b>               | <b>14 475 208</b>                | <b>15 451 250</b> | <b>12.9%</b>   | <b>100.0%</b>           |                                 |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>15.7%</b>     | <b>14.3%</b>     | <b>14.4%</b>     | <b>14.7%</b>      | <b>-</b>               | <b>-</b>                | <b>14.2%</b>                    | <b>14.7%</b>                     | <b>14.8%</b>      | <b>-</b>       | <b>-</b>                |                                 |

**Details of transfers and subsidies**

|  |                  |                  |                  |                  |               |              |                  |                  |                  |                |              |  |
|--|------------------|------------------|------------------|------------------|---------------|--------------|------------------|------------------|------------------|----------------|--------------|--|
| <b>Households</b>  |                  |                  |                  |                  |               |              |                  |                  |                  |                |              |  |
| <b>Social benefits</b>                                   |                  |                  |                  |                  |               |              |                  |                  |                  |                |              |  |
| <b>Current</b>   | <b>3 864</b>     | <b>13 093</b>    | <b>9 545</b>     | <b>1 500</b>     | <b>-27.1%</b> | <b>0.1%</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-100.0%</b> | <b>-</b>     |  |
| Employee social benefits                                 | 3 864            | 13 093           | 9 545            | 1 500            | -27.1%        | 0.1%         | -                | -                | -                | -100.0%        | -            |  |
| <b>Departmental agencies and accounts</b>                |                  |                  |                  |                  |               |              |                  |                  |                  |                |              |  |
| <b>Departmental agencies (non-business entities)</b>     |                  |                  |                  |                  |               |              |                  |                  |                  |                |              |  |
| <b>Current</b>   | <b>22 834</b>    | <b>13 780</b>    | <b>14 411</b>    | <b>15 189</b>    | <b>-12.7%</b> | <b>0.2%</b>  | <b>16 039</b>    | <b>16 922</b>    | <b>17 853</b>    | <b>5.5%</b>    | <b>0.1%</b>  |  |
| Employee social benefits                                 | 53               | 68               | 45               | -                | -100.0%       | -            | -                | -                | -                | -              | -            |  |
| Education, Training and Development Practices Sector     | 22 781           | 13 712           | 14 366           | 15 189           | -12.6%        | 0.2%         | 16 039           | 16 922           | 17 853           | 5.5%           | 0.1%         |  |
| Education and Training Authority                         |                  |                  |                  |                  |               |              |                  |                  |                  |                |              |  |
| <b>Non-profit institutions</b>                           |                  |                  |                  |                  |               |              |                  |                  |                  |                |              |  |
| <b>Current</b>   | <b>1 262 521</b> | <b>1 566 747</b> | <b>1 495 749</b> | <b>2 987 538</b> | <b>33.3%</b>  | <b>22.9%</b> | <b>4 084 665</b> | <b>5 090 111</b> | <b>5 475 567</b> | <b>22.4%</b>   | <b>33.0%</b> |  |
| Technical and Vocational Education and Training colleges | 1 262 521        | 1 566 747        | 1 495 749        | 2 987 538        | 33.3%         | 22.9%        | 3 884 665        | 4 768 111        | 5 030 357        | 19.0%          | 31.2%        |  |
| Operationalization of new campuses                       | -                | -                | -                | -                | -             | -            | 200 000          | 322 000          | 445 210          | -              | 1.8%         |  |
| <b>Capital</b>   | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>1 300 000</b> | <b>-</b>      | <b>4.1%</b>  | <b>1 484 000</b> | <b>1 647 000</b> | <b>1 737 585</b> | <b>10.2%</b>   | <b>11.6%</b> |  |
| Infrastructure efficiency grant                          | -                | -                | -                | 1 300 000        | -             | 4.1%         | 1 484 000        | 1 647 000        | 1 737 585        | 10.2%          | 11.6%        |  |

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.

**Personnel information****Table 15.16 Technical and Vocational Education and Training personnel numbers and cost by salary level<sup>1</sup>**

| Technical and Vocational Education and Training | Number of posts estimated for 31 March 2019 |   | 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 (%) |        |         |     |       |        |
|   |   |   | 2017/18  |           | 2018/19          |           | 2019/20                          |           | 2020/21 |           | 2021/22 |           |                         |                                 |        |         |     |       |        |
|   |   |   | Number   | Unit cost | Number           | Unit cost | Number                           | Unit cost | Number  | Unit cost | Number  | Unit cost |                         |                                 |        |         |     |       |        |
| Salary level                                    | 16 322                                      | 14  | 16 369   | 5 859.0   | 0.4              | 16 262    | 6 257.6                          | 0.4       | 16 297  | 6 743.2   | 0.4     | 16 297    | 7 253.2                 | 0.4                             | 16 079 | 7 726.5 | 0.5 | -0.4% | 100.0% |
| 1-6   | 7 402                                       | 14  | 7 506  | 1 680.9   | 0.2              | 7 399     | 1 856.1                          | 0.3       | 7 423   | 2 005.6   | 0.3     | 7 423     | 2 167.0                 | 0.3                             | 7 205  | 2 269.5 | 0.3 | -0.9% | 45.4%  |
| 7-10  | 8 478                                       | -   | 8 450  | 3 741.1   | 0.4              | 8 450     | 3 798.3                          | 0.4       | 8 450   | 4 090.6   | 0.5     | 8 450     | 4 413.7                 | 0.5                             | 8 450  | 4 753.4 | 0.6 | -     | 52.1%  |
| 11-12   | 367   | -   | 351  | 155.0     | 0.4              | 351       | 298.4                            | 0.9       | 351     | 319.1     | 0.9     | 351       | 342.0                   | 1.0                             | 351    | 365.7   | 1.0 | -     | 2.2%   |
| 13-16   | 75  | -   | 62   | 56.6      | 0.9              | 62        | 81.2                             | 1.3       | 73      | 102.5     | 1.4     | 73        | 109.9                   | 1.5                             | 73     | 117.5   | 1.6 | 5.6%  | 0.4%   |
| Other   | -   | -   | -  | 225.4     | -                | -         | 223.6                            | -         | -       | 225.4     | -       | -         | 220.6                   | -                               | -      | 220.4   | -   | -     | -      |

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

2. Rand million.

## 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 revision of 4 existing pieces of legislation, regulations and policies for skills development by March 2020.
- Ensure the effectual monitoring and evaluation of artisan development by producing 5 annual oversight reports on the national skills development strategy and good governance standards by sector education and training authorities over the medium term.
- Ensure effectual artisan development assessment services in support of an improved post-school education and training system over the medium term by continuing to provide trade testing dates to all qualifying applications, and conducting trade testing within 60 days of application.

### 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 the sectoral level by establishing and managing the performance of service level agreements with sector education and training authorities, and conducting trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments.
- *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 15.17 Skills Development expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) |                   | Medium-term expenditure estimate |                |                | Average growth rate (%) |                                |
|---|-----------------|----------------|----------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|   | 2015/16         | 2016/17        | 2017/18        |                        | 2018/19                 | 2015/16 - 2018/19 | 2019/20                          | 2020/21        | 2021/22        | 2018/19 - 2021/22       | Average Expenditure/ Total (%) |
| R thousand  |                 |                |                |                        |                         |                   |                                  |                |                |                         |                                |
| Programme Management: Skills Development              | 2 645           | 1 601          | 2 493          | 3 431                  | 9.1%                    | 1.1%              | 3 903                            | 4 164          | 4 443          | 9.0%                    | 1.4%                           |
| SETA Coordination                                     | 182 666         | 147 961        | 203 731        | 221 939                | 6.7%                    | 83.6%             | 238 066                          | 251 334        | 268 962        | 6.6%                    | 84.1%                          |
| National Skills Development Services                  | 8 950           | 7 935          | 9 354          | 11 739                 | 9.5%                    | 4.2%              | 14 356                           | 16 661         | 16 441         | 11.9%                   | 5.1%                           |
| Quality Development and Promotion                     | 22 480          | 23 138         | 26 930         | 27 380                 | 6.8%                    | 11.0%             | 26 056                           | 27 435         | 28 943         | 1.9%                    | 9.4%                           |
| <b>Total</b>  | <b>216 741</b>  | <b>180 635</b> | <b>242 508</b> | <b>264 489</b>         | <b>6.9%</b>             | <b>100.0%</b>     | <b>282 381</b>                   | <b>299 594</b> | <b>318 789</b> | <b>6.4%</b>             | <b>100.0%</b>                  |
| Change to 2018 Budget estimate                        |                 |                |                | 1 910                  |                         |                   | 2 566                            | 2 567          | 4 128          |                         |                                |
| <b>Economic classification</b>                        |                 |                |                |                        |                         |                   |                                  |                |                |                         |                                |
| <b>Current payments</b>                               | <b>100 190</b>  | <b>100 611</b> | <b>110 604</b> | <b>129 407</b>         | <b>8.9%</b>             | <b>48.7%</b>      | <b>142 259</b>                   | <b>152 415</b> | <b>163 525</b> | <b>8.1%</b>             | <b>50.4%</b>                   |
| Compensation of employees                             | 86 634          | 89 558         | 99 166         | 113 712                | 9.5%                    | 43.0%             | 126 029                          | 135 738        | 145 924        | 8.7%                    | 44.7%                          |
| Goods and services <sup>1</sup>                       | 13 556          | 11 053         | 11 438         | 15 695                 | 5.0%                    | 5.7%              | 16 230                           | 16 677         | 17 601         | 3.9%                    | 5.7%                           |
| <i>of which:</i>                                      |                 |                |                |                        |                         |                   |                                  |                |                |                         |                                |
| Minor assets  | 67              | 129            | 68             | 151                    | 31.1%                   | –                 | 925                              | 773            | 822            | 75.9%                   | 0.2%                           |
| Communication   | 1 297           | 1 543          | 1 434          | 2 086                  | 17.2%                   | 0.7%              | 1 706                            | 1 742          | 1 769          | -5.3%                   | 0.6%                           |
| Inventory: Materials and supplies                     | 1 371           | 2 080          | 2 635          | 3 642                  | 38.5%                   | 1.1%              | 3 660                            | 4 022          | 4 593          | 8.0%                    | 1.4%                           |
| Consumable supplies                                   | 3 240           | 1 581          | 878            | 1 945                  | -15.6%                  | 0.8%              | 876                              | 858            | 861            | -23.8%                  | 0.4%                           |
| Consumables: Stationery, printing and office supplies | 627             | 617            | 828            | 948                    | 14.8%                   | 0.3%              | 1 013                            | 1 037          | 1 070          | 4.1%                    | 0.3%                           |
| Travel and subsistence                                | 2 283           | 1 923          | 1 979          | 2 302                  | 0.3%                    | 0.9%              | 3 317                            | 3 435          | 3 614          | 16.2%                   | 1.1%                           |

**Table 15.17 Skills Development 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 (%) |                   |
|--|-----------------|----------------|----------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|-------------------|
|  | 2015/16         | 2016/17        | 2017/18        |                        | 2018/19                 | 2015/16 - 2018/19 | 2019/20                          | 2020/21        | 2021/22        | 2018/19 - 2021/22       | 2018/19 - 2021/22 |
| R thousand   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>115 843</b>  | <b>79 078</b>  | <b>131 361</b> | <b>134 005</b>         | <b>5.0%</b>             | <b>50.9%</b>      | <b>138 360</b>                   | <b>145 951</b> | <b>153 977</b> | <b>4.7%</b>             | <b>49.1%</b>      |
| Departmental agencies and accounts                                   | 115 790         | 78 901         | 130 688        | 133 805                | 4.9%                    | 50.8%             | 138 360                          | 145 951        | 153 977        | 4.8%                    | 49.1%             |
| Households   | 53              | 177            | 673            | 200                    | 55.7%                   | 0.1%              | –                                | –              | –              | -100.0%                 | –                 |
| <b>Payments for capital assets</b>                                   | <b>426</b>      | <b>944</b>     | <b>542</b>     | <b>1 075</b>           | <b>36.1%</b>            | <b>0.3%</b>       | <b>1 762</b>                     | <b>1 228</b>   | <b>1 287</b>   | <b>6.2%</b>             | <b>0.5%</b>       |
| Machinery and equipment  | 426             | 944            | 542            | 1 075                  | 36.1%                   | 0.3%              | 1 762                            | 1 228          | 1 287          | 6.2%                    | 0.5%              |
| <b>Payments for financial assets</b>                                 | <b>282</b>      | <b>2</b>       | <b>1</b>       | <b>2</b>               | <b>-80.8%</b>           | <b>–</b>          | <b>–</b>                         | <b>–</b>       | <b>–</b>       | <b>-100.0%</b>          | <b>–</b>          |
| <b>Total</b>   | <b>216 741</b>  | <b>180 635</b> | <b>242 508</b> | <b>264 489</b>         | <b>6.9%</b>             | <b>100.0%</b>     | <b>282 381</b>                   | <b>299 594</b> | <b>318 789</b> | <b>6.4%</b>             | <b>100.0%</b>     |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>0.5%</b>     | <b>0.4%</b>    | <b>0.5%</b>    | <b>0.4%</b>            | <b>–</b>                | <b>–</b>          | <b>0.3%</b>                      | <b>0.3%</b>    | <b>0.3%</b>    | <b>–</b>                | <b>–</b>          |
| <b>Details of transfers and subsidies</b>                            |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Households</b>  |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Social benefits</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Current</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| Employee social benefits   | 53              | 177            | 673            | 200                    | 55.7%                   | 0.1%              | –                                | –              | –              | -100.0%                 | –                 |
| Departmental agencies and accounts                                   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Departmental agencies (non-business entities)</b>                 |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Current</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| Employee social benefits   | 99              | 26             | –              | –                      | -100.0%                 | –                 | –                                | –              | –              | –                       | –                 |
| Quality Council for Trades and Occupations                           | 21 848          | 23 138         | 26 920         | 27 380                 | 7.8%                    | 11.0%             | 26 056                           | 27 435         | 28 943         | 1.9%                    | 9.4%              |
| Public Service Sector Education and Training Authority               | 93 843          | 55 737         | 103 768        | 106 425                | 4.3%                    | 39.8%             | 112 304                          | 118 516        | 125 034        | 5.5%                    | 39.7%             |

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.

## Personnel information

**Table 15.18 Skills Development personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2019 |   | 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 (%) |              |            |              |               |
|   |   | 2017/18  |            | 2018/19     |                  | 2019/20    |              | 2020/21                          |            | 2021/22      |            | 2018/19 - 2021/22 |              |                         |                                |              |            |              |               |
|   |   | Number   | Cost       | Unit cost   | Number           | Cost       | Unit cost    | Number                           | Cost       | Unit cost    | Number     | Cost              | Unit cost    | Number                  | Cost                           | Unit cost    |            |              |               |
| <b>Skills Development</b>                   |   |  |            |             |                  |            |              |                                  |            |              |            |                   |              |                         |                                |              |            |              |               |
| <b>Salary level</b>                         | <b>300</b>                                      | <b>18</b>  | <b>570</b> | <b>99.2</b> | <b>0.2</b>       | <b>295</b> | <b>118.1</b> | <b>0.4</b>                       | <b>282</b> | <b>126.0</b> | <b>0.4</b> | <b>282</b>        | <b>135.7</b> | <b>0.5</b>              | <b>282</b>                     | <b>145.9</b> | <b>0.5</b> | <b>-1.5%</b> | <b>100.0%</b> |
| 1 – 6                                       | 169   | 18   | 448        | 32.7        | 0.1              | 168        | 38.9         | 0.2                              | 155        | 41.0         | 0.3        | 155               | 44.3         | 0.3                     | 155                            | 47.8         | 0.3        | -2.6%        | 55.5%         |
| 7 – 10                                      | 104   | –  | 95         | 41.5        | 0.4              | 97         | 48.3         | 0.5                              | 97         | 51.9         | 0.5        | 97                | 55.9         | 0.6                     | 97                             | 60.2         | 0.6        | –            | 34.0%         |
| 11 – 12                                     | 19  | –  | 20         | 14.7        | 0.7              | 21         | 19.2         | 0.9                              | 21         | 20.6         | 1.0        | 21                | 22.1         | 1.1                     | 21                             | 23.6         | 1.1        | –            | 7.4%          |
| 13 – 16                                     | 8   | –  | 7          | 10.4        | 1.5              | 9          | 11.7         | 1.3                              | 9          | 12.5         | 1.4        | 9                 | 13.4         | 1.5                     | 9                              | 14.3         | 1.6        | –            | 3.2%          |

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

2. Rand million.

## 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

- Steer the community education and training sector in support of a sound post-school education and training system by developing 9 steering mechanisms and reviewing 1 mechanism by March 2022 on:
  - the staffing norms and standards for community education and training colleges
  - the examination conduct policy for the national senior certificate for adults
  - the community education and training service delivery model
  - the monitoring and evaluation policy for community education and training colleges

- the national curriculum policy for community education and training colleges.
- Ensure effective monitoring and evaluation of the skills development sector by producing annual reports by March 2022 on the implementation of appropriate monitoring instruments and partnerships with stakeholders and producing a system performance report for the community education and training sector.
- Develop and approve 20 monitoring and evaluation reports by March 2022 to ensure effective oversight of the community education and training sector.
- Improve teaching and learning in community education and training colleges by developing and implementing a teaching and learning planning framework by March 2022.
- Ensure an optimal geographic spread of community education and training colleges by establishing and operationalising 9 colleges by March 2022.

## Subprogrammes

- *Programme Management: Community Education and Training* manages the delegated administrative and financial responsibilities, and coordinates the monitoring and evaluation function of the programme.
- *Community Education and Training Colleges Systems Planning, Institutional Development and Support* provides support to management and councils, monitors and evaluates the community education and training system performance 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 community education and training colleges to enter into partnerships for the use of infrastructure for college site hosting centres and funding these partnerships, maps out an institutional landscape for the rollout of the community education and training system, and is responsible for community education and training infrastructure planning and development.
- *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 funding norms and standards; monitors compliance by community education and training units in regional offices 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 curriculum; and provides leadership for colleges to form partnerships and linkages for programme diversification.

## Expenditure trends and estimates

**Table 15.19 Community 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 (%) | Average: Expenditure/ Total (%) |
|---|------------------|------------------|------------------|------------------------|-------------------------|-------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
|   | 2015/16          | 2016/17          | 2017/18          |                        | 2018/19                 | 2015/16 - 2018/19 | 2019/20                          | 2020/21          | 2021/22          |                         |                                 |
| R thousand  |                  |                  |                  |                        |                         |                   |                                  |                  |                  |                         |                                 |
| Programme Management: Community Education and Training  | –                | 1 477            | 1 496            | 2 816                  | –                       | 0.1%              | 2 844                            | 3 980            | 4 266            | 14.8%                   | 0.1%                            |
| Community Education and Training Colleges Systems Planning, Institutional Development and Support | 1 653 166        | 1 849 487        | 1 991 417        | 2 160 820              | 9.3%                    | 92.2%             | 2 329 557                        | 2 497 482        | 2 662 980        | 7.2%                    | 92.0%                           |
| Financial Planning  | 157 186          | 128 966          | 148 847          | 175 872                | 3.8%                    | 7.4%              | 186 931                          | 196 963          | 207 876          | 5.7%                    | 7.3%                            |
| Education and Training and Development Support  | 14 027           | 1 763            | 1 393            | 16 089                 | 4.7%                    | 0.4%              | 13 487                           | 16 278           | 13 761           | -5.1%                   | 0.6%                            |
| <b>Total</b>  | <b>1 824 379</b> | <b>1 981 693</b> | <b>2 143 153</b> | <b>2 355 597</b>       | <b>8.9%</b>             | <b>100.0%</b>     | <b>2 532 819</b>                 | <b>2 714 703</b> | <b>2 888 883</b> | <b>7.0%</b>             | <b>100.0%</b>                   |
| Change to 2018 Budget estimate  |                  |                  |                  | (3 200)                |                         |                   | (1)                              | –                | (326)            |                         |                                 |

**Table 15.19 Community Education and Training expenditure trends and estimates by subprogramme and economic classification**

| Economic classification   | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |         |
|---|------------------|------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|---------|
|   | 2015/16          | 2016/17          | 2017/18          |                        |                         |                                 | 2018/19                          | 2019/20          | 2020/21          |                         |                                 | 2021/22 |
|   | 2015/16          | 2016/17          | 2017/18          |                        |                         |                                 | 2018/19                          | 2019/20          | 2020/21          |                         |                                 | 2021/22 |
| R thousand  | 1 731 281        | 1 875 245        | 2 029 586        | 2 236 093              | 8.9%                    | 94.8%                           | 2 379 341                        | 2 553 263        | 2 718 546        | 6.7%                    | 94.2%                           |         |
| <b>Current payments</b>   | <b>1 731 281</b> | <b>1 875 245</b> | <b>2 029 586</b> | <b>2 236 093</b>       | <b>8.9%</b>             | <b>94.8%</b>                    | <b>2 379 341</b>                 | <b>2 553 263</b> | <b>2 718 546</b> | <b>6.7%</b>             | <b>94.2%</b>                    |         |
| Compensation of employees   | 1 712 348        | 1 850 581        | 1 992 758        | 2 178 323              | 8.4%                    | 93.1%                           | 2 347 452                        | 2 519 480        | 2 682 922        | 7.2%                    | 92.7%                           |         |
| Goods and services <sup>1</sup>   | 18 933           | 24 664           | 36 828           | 57 770                 | 45.0%                   | 1.7%                            | 31 889                           | 33 783           | 35 624           | -14.9%                  | 1.5%                            |         |
| <i>of which:</i>  |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |         |
| <i>Catering: Departmental activities</i>  | 687              | 814              | 1 231            | 1 267                  | 22.6%                   | –                               | 2 178                            | 2 195            | 2 312            | 22.2%                   | 0.1%                            |         |
| <i>Consumables: Stationery, printing and office supplies</i>                          | 1 769            | 3 013            | 3 898            | 5 858                  | 49.1%                   | 0.2%                            | 4 542                            | 5 091            | 5 355            | -2.9%                   | 0.2%                            |         |
| <i>Operating leases</i>   | 279              | 2 253            | 1 893            | 2 770                  | 114.9%                  | 0.1%                            | 1 900                            | 2 042            | 2 154            | -8.0%                   | 0.1%                            |         |
| <i>Travel and subsistence</i>   | 7 906            | 13 290           | 18 655           | 30 617                 | 57.0%                   | 0.8%                            | 14 081                           | 15 341           | 16 128           | -19.2%                  | 0.7%                            |         |
| <i>Training and development</i>   | 34               | –                | 12               | 9                      | -35.8%                  | –                               | 4 500                            | 4 500            | 4 748            | 708.0%                  | 0.1%                            |         |
| <i>Venues and facilities</i>  | 767              | 2 007            | 3 229            | 1 449                  | 23.6%                   | 0.1%                            | 1 441                            | 1 447            | 1 517            | 1.5%                    | 0.1%                            |         |
| <b>Transfers and subsidies<sup>1</sup></b>  | <b>93 062</b>    | <b>104 709</b>   | <b>110 096</b>   | <b>115 184</b>         | <b>7.4%</b>             | <b>5.1%</b>                     | <b>151 710</b>                   | <b>159 881</b>   | <b>168 675</b>   | <b>13.6%</b>            | <b>5.7%</b>                     |         |
| Departmental agencies and accounts  | –                | 2 532            | 841              | 2 760                  | –                       | 0.1%                            | 2 918                            | 3 069            | 3 238            | 5.5%                    | 0.1%                            |         |
| Non-profit institutions   | 91 758           | 98 053           | 103 897          | 109 924                | 6.2%                    | 4.9%                            | 148 792                          | 156 812          | 165 437          | 14.6%                   | 5.5%                            |         |
| Households  | 1 304            | 4 124            | 5 358            | 2 500                  | 24.2%                   | 0.2%                            | –                                | –                | –                | -100.0%                 | –                               |         |
| <b>Payments for capital assets</b>  | <b>36</b>        | <b>1 739</b>     | <b>3 471</b>     | <b>3 943</b>           | <b>378.5%</b>           | <b>0.1%</b>                     | <b>1 768</b>                     | <b>1 559</b>     | <b>1 662</b>     | <b>-25.0%</b>           | <b>0.1%</b>                     |         |
| Buildings and other fixed structures  | –                | –                | –                | 1 400                  | –                       | –                               | –                                | –                | –                | -100.0%                 | –                               |         |
| Machinery and equipment   | 36               | 1 739            | 3 471            | 2 543                  | 313.4%                  | 0.1%                            | 1 768                            | 1 559            | 1 662            | -13.2%                  | 0.1%                            |         |
| <b>Payments for financial assets</b>  | <b>–</b>         | <b>–</b>         | <b>–</b>         | <b>377</b>             | <b>–</b>                | <b>–</b>                        | <b>–</b>                         | <b>–</b>         | <b>–</b>         | <b>-100.0%</b>          | <b>–</b>                        |         |
| <b>Total</b>  | <b>1 824 379</b> | <b>1 981 693</b> | <b>2 143 153</b> | <b>2 355 597</b>       | <b>8.9%</b>             | <b>100.0%</b>                   | <b>2 532 819</b>                 | <b>2 714 703</b> | <b>2 888 883</b> | <b>7.0%</b>             | <b>100.0%</b>                   |         |
| <b>Proportion of total programme expenditure to vote expenditure</b>                  | <b>4.3%</b>      | <b>4.0%</b>      | <b>4.1%</b>      | <b>3.2%</b>            | <b>–</b>                | <b>–</b>                        | <b>2.8%</b>                      | <b>2.7%</b>      | <b>2.8%</b>      | <b>–</b>                | <b>–</b>                        |         |
| <b>Details of transfers and subsidies</b>   |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |         |
| <b>Households</b>   |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |         |
| <b>Social benefits</b>  |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |         |
| <b>Current</b>  | <b>1 304</b>     | <b>4 124</b>     | <b>5 358</b>     | <b>2 500</b>           | <b>24.2%</b>            | <b>0.2%</b>                     | <b>–</b>                         | <b>–</b>         | <b>–</b>         | <b>-100.0%</b>          | <b>–</b>                        |         |
| Employee social benefits  | 1 304            | 4 124            | 5 358            | 2 500                  | 24.2%                   | 0.2%                            | –                                | –                | –                | -100.0%                 | –                               |         |
| <b>Departmental agencies and accounts</b>   |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |         |
| <b>Departmental agencies (non-business entities)</b>                                  |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |         |
| <b>Current</b>  | <b>–</b>         | <b>2 532</b>     | <b>841</b>       | <b>2 760</b>           | <b>–</b>                | <b>0.1%</b>                     | <b>2 918</b>                     | <b>3 069</b>     | <b>3 238</b>     | <b>5.5%</b>             | <b>0.1%</b>                     |         |
| Employee social benefits  | –                | 6                | 49               | –                      | –                       | –                               | –                                | –                | –                | –                       | –                               |         |
| Education, Training and Development Practices Sector Education and Training Authority | –                | 2 526            | 792              | 2 760                  | –                       | 0.1%                            | 2 918                            | 3 069            | 3 238            | 5.5%                    | 0.1%                            |         |
| <b>Non-profit institutions</b>  |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |         |
| <b>Current</b>  | <b>91 758</b>    | <b>98 053</b>    | <b>103 897</b>   | <b>109 924</b>         | <b>6.2%</b>             | <b>4.9%</b>                     | <b>148 792</b>                   | <b>156 812</b>   | <b>165 437</b>   | <b>14.6%</b>            | <b>5.5%</b>                     |         |
| Community education and training colleges   | 91 758           | 98 053           | 103 897          | 109 924                | 6.2%                    | 4.9%                            | 148 792                          | 156 812          | 165 437          | 14.6%                   | 5.5%                            |         |

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.

## Personnel information

**Table 15.20 Community Education and Training personnel numbers and cost by salary level<sup>1</sup>**

| Community Education and Training | Number of posts estimated for 31 March 2019 |   | 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 (%) |            |              |               |
|                                  |   |   | 2017/18  |                | 2018/19    |                  | 2019/20        |            | 2020/21                          |                | 2021/22    |              | 2018/19 - 2021/22 |            |                         |                                 |            |              |               |
|                                  |   |   | Number   | Unit cost      | Number     | Unit cost        | Number         | Unit cost  | Number                           | Unit cost      | Number     | Unit cost    |                   |            |                         |                                 |            |              |               |
| <b>Salary level</b>              | <b>15 352</b>                               | <b>–</b>  | <b>9 396</b>   | <b>1 992.8</b> | <b>0.2</b> | <b>9 425</b>     | <b>2 183.5</b> | <b>0.2</b> | <b>9 425</b>                     | <b>2 347.5</b> | <b>0.2</b> | <b>9 425</b> | <b>2 519.5</b>    | <b>0.3</b> | <b>9 423</b>            | <b>2 682.9</b>                  | <b>0.3</b> | <b>-0.0%</b> | <b>100.0%</b> |
| 1 – 6                            | 1 070                                       | –   | 1 038  | 198.0          | 0.2        | 1 039            | 229.9          | 0.2        | 1 039                            | 248.3          | 0.2        | 1 039        | 268.6             | 0.3        | 1 037                   | 289.7                           | 0.3        | -0.1%        | 11.0%         |
| 7 – 10                           | 470   | –   | 446  | 183.0          | 0.4        | 464              | 211.2          | 0.5        | 464                              | 227.4          | 0.5        | 464          | 245.4             | 0.5        | 464                     | 264.2                           | 0.6        | –            | 4.9%          |
| 11 – 12                          | 128   | –   | 119  | 51.8           | 0.4        | 123              | 109.2          | 0.9        | 123                              | 116.8          | 0.9        | 123          | 125.2             | 1.0        | 123                     | 133.9                           | 1.1        | –            | 1.3%          |
| 13 – 16                          | 26  | –   | 20   | 32.9           | 1.6        | 26               | 33.3           | 1.3        | 26                               | 35.6           | 1.4        | 26           | 38.1              | 1.5        | 26                      | 40.8                            | 1.6        | –            | 0.3%          |
| Other                            | 13 658                                      | –   | 7 773  | 1 527.0        | 0.2        | 7 773            | 1 599.9        | 0.2        | 7 773                            | 1 719.4        | 0.2        | 7 773        | 1 842.2           | 0.2        | 7 773                   | 1 954.3                         | 0.3        | –            | 82.5%         |

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

2. Rand million.

## Entities

### 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 activities prioritised by the Minister of Higher Education and Training to achieve a national standard of good practice in skills development.

#### Selected performance indicators

**Table 15.21 National Skills Fund performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity | MTSF outcome   | Past           |                |                    | Current | Projections |         |         |
|--|------------------------------|--|----------------|----------------|--------------------|---------|-------------|---------|---------|
|  |                              |  | 2015/16/       | 2016/17        | 2017/18            | 2018/19 | 2019/20     | 2020/21 | 2021/22 |
| 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> | 3 267          | 8 521 <sup>2</sup> | 3 000   | 3 000       | 3 000   | 3 000   |
| Number of learners from rural areas who completed their education and training per year  | Grant disbursement           |  | - <sup>1</sup> | 3 418          | 6 856              | 3 000   | 3 000       | 3 000   | 3 000   |
| 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> | 2 158          | 1 705 <sup>3</sup> | 200     | 500         | 1 000   | 1 500   |
| Number of learners who acquired skills through funded community-based skills development initiatives per year                          | Grant disbursement           |  | - <sup>1</sup> | 3 289          | 5 281 <sup>4</sup> | 1 400   | 3 000       | 3 000   | 3 000   |
| Number of workers to be educated through workers' education initiatives per year   | Grant disbursement           |  | - <sup>1</sup> | 0 <sup>5</sup> | 0 <sup>5</sup>     | 100     | 100         | 200     | 300     |

1. No historical data available.

2. Overachievement in this year is mainly due to skills development programmes delivered in partnership with the Small Enterprise Development Agency, skills development programmes linked to the expanded public works programme and specific skills development projects with TVET colleges.

3. Overachievement in this year is mainly due to the fund's collaboration with the Small Enterprise Development Agency aimed at skills development for small, medium and micro enterprises.

4. Overachievement in this year is mainly due to the fund's skills development partnership with the Small Enterprise Development Agency.

5. Targets not achieved in these years due to budget reprioritisations, resulting in funding for worker education projects being delayed.

#### Expenditure analysis

Over the medium term, the National Skills Fund will focus on: investing in initiatives focused on developing priority skills to reduce the skills gap and create opportunities for out-of-school youth, expanding and enhancing the post-school education and training system, and implementing a new ICT system.

The fund anticipates that 92.3 per cent (R12.1 billion) of its total budget over the MTEF period will be spent on skills development initiatives, including: transfers to various skills development projects relating to education and training, capacity building in the post-school education and training system, and providing infrastructure for skills development and skills development research. Among these initiatives are the development of foundational learning programmes for the TVET sector, the South African Institute of Chartered Accountants chief financial officer and human resource management projects, and TVET curriculum development. Accordingly, over the period ahead, 3 000 small, medium and micro enterprises and cooperatives; 9 000 learners and 600 workers are expected to benefit from the fund's developmental initiatives.

Spending on skills development initiatives and administration is projected to decrease at an average annual rate of 6.2 per cent, from R4.3 billion in 2018/19 to R3.5 billion in 2021/22. This is mainly due to contractual agreements of the majority of funded projects, such as infrastructure development at TVET colleges, coming to an end in 2020/21.

With the implementation of a new ICT system over the medium term, the fund expects to improve its performance reporting mechanisms and processes. The system will allow the fund to measure the throughput

of learners on an ongoing basis and make proactive improvements, while strategically focusing funding on priority occupations. The system is currently undergoing its final round of user acceptance testing and data migration. Training on the system is expected to have taken place in January 2019, with the system expected to go live in February 2019. R23.8 million over the medium term is allocated for operating and maintaining the system.

The fund's primary source of revenue is the skills development levy, which is collected by the South African Revenue Service and transferred to the fund as a direct charge against the National Revenue Fund. Transfers from the skills development levy are projected to increase at an average annual rate of 8.8 per cent, from R3.5 billion in 2018/19 to R4.5 billion in 2021/22.

### Programmes/Objectives/Activities

**Table 15.22 National Skills Fund expenditure trends and estimates by programme/objective/activity**

| R thousand         | Audited outcome  |                  |                  | Revised estimate<br>2018/19 | Average growth rate (%)<br>2015/16 - 2018/19 | Average: Expenditure/ Total (%)<br>2015/16 - 2018/19 | Medium-term expenditure estimate |                  |                  | Average growth rate (%)<br>2018/19 - 2021/22 | Average: Expenditure/ Total (%)<br>2018/19 - 2021/22 |
|--------------------|------------------|------------------|------------------|-----------------------------|--|--|----------------------------------|------------------|------------------|--|--|
|                    | 2015/16          | 2016/17          | 2017/18          |                             |  |  | 2019/20                          | 2020/21          | 2021/22          |  |  |
| Administration     | 146 543          | 171 775          | 168 154          | 291 956                     | 25.8%  | 4.1%   | 326 006                          | 341 385          | 353 909          | 6.6%   | 7.7%   |
| Grant disbursement | 4 357 162        | 4 321 988        | 6 970 099        | 3 992 669                   | -2.9%  | 95.9%  | 4 948 781                        | 3 979 475        | 3 179 934        | -7.3%  | 92.3%  |
| <b>Total</b>       | <b>4 503 705</b> | <b>4 493 763</b> | <b>7 138 253</b> | <b>4 284 625</b>            | <b>-1.6%</b>                                 | <b>100.0%</b>  | <b>5 274 787</b>                 | <b>4 320 860</b> | <b>3 533 843</b> | <b>-6.2%</b>                                 | <b>100.0%</b>  |

### Statements of historical financial performance and position

**Table 15.23 National Skills Fund statements of historical financial performance and position**

| Statement of financial performance     | Audited outcome   |                   | Audited outcome    |                   | Audited outcome    |                    | Budget estimate    | Revised estimate | Average: Outcome/ Budget (%)<br>2015/16 - 2018/19 |
|--|-------------------|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|------------------|---|
|  | Budget            | 2015/16           | Budget             | 2016/17           | Budget             | 2017/18            |                    |                  |   |
| R thousand                             |                   |                   |                    |                   |                    |                    |                    |                  |   |
| <b>Revenue</b>                         |                   |                   |                    |                   |                    |                    |                    |                  |   |
| Non-tax revenue                        | 961 363           | 1 102 780         | 408 758            | 824 538           | 548 930            | 551 016            | 563 709            | 495 929          | 119.8%  |
| Other non-tax revenue                  | 961 363           | 1 102 780         | 408 758            | 824 538           | 548 930            | 551 016            | 563 709            | 495 929          | 119.8%  |
| <b>Transfers received</b>              | <b>3 159 293</b>  | <b>3 033 122</b>  | <b>3 179 447</b>   | <b>3 051 031</b>  | <b>3 154 111</b>   | <b>3 204 737</b>   | <b>3 385 876</b>   | <b>3 462 432</b> | <b>99.0%</b>                                      |
| <b>Total revenue</b>                   | <b>4 120 656</b>  | <b>4 135 902</b>  | <b>3 588 205</b>   | <b>3 875 569</b>  | <b>3 703 041</b>   | <b>3 755 753</b>   | <b>3 949 585</b>   | <b>3 958 361</b> | <b>102.4%</b>                                     |
| <b>Expenses</b>                        |                   |                   |                    |                   |                    |                    |                    |                  |   |
| Current expenses                       | 170 271           | 97 914            | 235 540            | 123 309           | 142 686            | 119 801            | 279 285            | 237 956          | 69.9%   |
| Compensation of employees              | 57 724            | 40 502            | 131 046            | 46 171            | 61 014             | 59 661             | 103 439            | 72 652           | 62.0%   |
| Goods and services                     | 112 547           | 52 313            | 95 395             | 70 933            | 73 966             | 55 175             | 167 678            | 157 158          | 74.6%   |
| Depreciation                           | -                 | 5 099             | 9 099              | 6 205             | 7 706              | 4 965              | 8 168              | 8 146            | 97.8%   |
| <b>Transfers and subsidies</b>         | <b>4 538 942</b>  | <b>4 405 791</b>  | <b>5 279 812</b>   | <b>4 370 454</b>  | <b>9 424 291</b>   | <b>7 018 452</b>   | <b>6 170 209</b>   | <b>4 046 669</b> | <b>78.1%</b>                                      |
| <b>Total expenses</b>                  | <b>4 709 213</b>  | <b>4 503 705</b>  | <b>5 515 352</b>   | <b>4 493 763</b>  | <b>9 566 977</b>   | <b>7 138 253</b>   | <b>6 449 494</b>   | <b>4 284 625</b> | <b>77.8%</b>                                      |
| <b>Surplus/(Deficit)</b>               | <b>(588 557)</b>  | <b>(367 803)</b>  | <b>(1 927 147)</b> | <b>(618 194)</b>  | <b>(5 863 936)</b> | <b>(3 382 500)</b> | <b>(2 499 909)</b> | <b>(326 264)</b> |   |
| <b>Statement of financial position</b> |                   |                   |                    |                   |                    |                    |                    |                  |   |
| Carrying value of assets               | -                 | 601 988           | 50 971             | 546 023           | 1 165 415          | 594 632            | 1 711 093          | 1 709 588        | 117.9%  |
| of which:                              |                   |                   |                    |                   |                    |                    |                    |                  |   |
| Acquisition of assets                  | -                 | (345 738)         | (1 772 472)        | (157 617)         | (789 467)          | (53 594)           | (1 149 900)        | (1 013 836)      | 42.3%   |
| Investments                            | 10 541 726        | 10 423 328        | 6 199 636          | 8 860 484         | 3 544 194          | 6 320 731          | 3 898 613          | 3 615 024        | 120.8%  |
| Receivables and prepayments            | -                 | 715 204           | -                  | 1 436 098         | 788 256            | 1 438 456          | 833 187            | 1 520 448        | 315.2%  |
| Cash and cash equivalents              | -                 | 186 073           | -                  | 610 190           | 610 190            | 9 604              | 610 190            | 9 604            | 66.8%   |
| <b>Total assets</b>                    | <b>10 541 726</b> | <b>11 926 593</b> | <b>6 250 607</b>   | <b>11 452 795</b> | <b>6 108 055</b>   | <b>8 363 423</b>   | <b>7 053 083</b>   | <b>6 854 664</b> | <b>128.9%</b>                                     |
| Accumulated surplus/(deficit)          | 10 541 726        | 6 272 273         | 3 742 069          | 5 861 451         | 2 639 819          | 4 459 778          | 2 627 536          | 5 277 209        | 111.9%  |
| Capital and reserves                   | -                 | 4 599 455         | 2 500 000          | 4 392 083         | 2 199 010          | 2 411 256          | 3 083 974          | -                | 146.5%  |
| Capital reserve fund                   | -                 | 1 001 407         | -                  | 1 113 932         | 1 182 996          | 1 405 715          | 1 250 427          | 1 485 841        | 205.8%  |
| Trade and other payables               | -                 | 45 365            | -                  | 65 273            | 68 037             | 46 387             | 71 915             | 53 133           | 150.2%  |
| Provisions                             | -                 | 2 991             | 3 156              | 4 929             | 2 128              | 5 180              | 2 250              | 1 373            | 192.1%  |
| Derivatives financial instruments      | -                 | 5 102             | 5 383              | 15 127            | 16 065             | 35 107             | 16 981             | 37 108           | 240.6%  |
| <b>Total equity and liabilities</b>    | <b>10 541 726</b> | <b>11 926 593</b> | <b>6 250 607</b>   | <b>11 452 795</b> | <b>6 108 055</b>   | <b>8 363 423</b>   | <b>7 053 083</b>   | <b>6 854 664</b> | <b>128.9%</b>                                     |

## Statements of estimates of financial performance and position

**Table 15.24 National Skills Fund 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                       | 2018/19          | 2015/16 - 2018/19       | 2019/20                       | 2020/21              | 2021/22          | 2018/19 - 2021/22 | 2018/19 - 2021/22       |                               |
| R thousand                             |                  |                         |                               |                      |                  |                   |                         |                               |
| <b>Revenue</b>                         |                  |                         |                               |                      |                  |                   |                         |                               |
| Non-tax revenue                        | 495 929          | -23.4%                  | 18.8%                         | 513 220              | 531 202          | 549 904           | 3.5%                    | 11.8%                         |
| Other non-tax revenue                  | 495 929          | -23.4%                  | 18.8%                         | 513 220              | 531 202          | 549 904           | 3.5%                    | 11.8%                         |
| Transfers received                     | 3 462 432        | 4.5%                    | 81.2%                         | 3 751 702            | 4 087 486        | 4 461 451         | 8.8%                    | 88.2%                         |
| <b>Total revenue</b>                   | <b>3 958 361</b> | <b>-1.5%</b>            | <b>100.0%</b>                 | <b>4 264 922</b>     | <b>4 618 688</b> | <b>5 011 355</b>  | <b>8.2%</b>             | <b>100.0%</b>                 |
| <b>Expenses</b>                        |                  |                         |                               |                      |                  |                   |                         |                               |
| Current expenses                       | 237 956          | 34.4%                   | 3.0%                          | 269 144              | 281 396          | 290 620           | 6.9%                    | 6.3%                          |
| Compensation of employees              | 72 652           | 21.5%                   | 1.1%                          | 131 892              | 138 704          | 144 835           | 25.9%                   | 2.9%                          |
| Goods and services                     | 157 158          | 44.3%                   | 1.8%                          | 124 674              | 129 422          | 131 786           | -5.7%                   | 3.2%                          |
| Depreciation                           | 8 146            | 16.9%                   | 0.1%                          | 12 578               | 13 270           | 13 999            | 19.8%                   | 0.3%                          |
| Transfers and subsidies                | 4 046 669        | -2.8%                   | 97.0%                         | 5 005 643            | 4 039 464        | 3 243 223         | -7.1%                   | 93.7%                         |
| <b>Total expenses</b>                  | <b>4 284 625</b> | <b>-1.6%</b>            | <b>100.0%</b>                 | <b>5 274 787</b>     | <b>4 320 860</b> | <b>3 533 843</b>  | <b>-6.2%</b>            | <b>100.0%</b>                 |
| <b>Surplus/(Deficit)</b>               | <b>(326 264)</b> |                         |                               | <b>(1 009 865)</b>   | <b>297 828</b>   | <b>1 477 512</b>  |                         |                               |
| <b>Statement of financial position</b> |                  |                         |                               |                      |                  |                   |                         |                               |
| Carrying value of assets of which:     | 1 709 588        | 41.6%                   | 10.5%                         | 1 031 621            | 310 388          | 154 108           | -55.2%                  | 14.4%                         |
| Acquisition of assets                  | (1 013 836)      | 43.1%                   | -4.9%                         | (870 412)            | (640 482)        | (363 210)         | -29.0%                  | -14.0%                        |
| Investments                            | 3 615 024        | -29.7%                  | 73.3%                         | 2 066 373            | 2 243 504        | 2 676 998         | -9.5%                   | 51.8%                         |
| Receivables and prepayments            | 1 520 448        | 28.6%                   | 14.5%                         | 1 605 593            | 1 693 901        | 1 787 065         | 5.5%                    | 33.7%                         |
| Cash and cash equivalents              | 9 604            | -62.8%                  | 1.8%                          | 9 604                | 9 604            | 9 604             | -                       | 0.2%                          |
| <b>Total assets</b>                    | <b>6 854 664</b> | <b>-16.9%</b>           | <b>100.0%</b>                 | <b>4 713 191</b>     | <b>4 257 397</b> | <b>4 627 775</b>  | <b>-12.3%</b>           | <b>100.0%</b>                 |
| Accumulated surplus/(deficit)          | 5 277 209        | -5.6%                   | 58.5%                         | 3 047 398            | 2 499 986        | 2 773 707         | -19.3%                  | 65.1%                         |
| Capital reserve fund                   | 1 485 841        | 14.1%                   | 14.2%                         | 1 569 048            | 1 655 345        | 1 746 389         | 5.5%                    | 32.9%                         |
| Trade and other payables               | 53 133           | 5.4%                    | 0.6%                          | 56 109               | 59 195           | 62 450            | 5.5%                    | 1.2%                          |
| Provisions                             | 1 373            | -22.9%                  | 0.0%                          | 1 450                | 1 530            | 1 614             | 5.5%                    | 0.0%                          |
| Derivatives financial instruments      | 37 108           | 93.8%                   | 0.3%                          | 39 186               | 41 341           | 43 615            | 5.5%                    | 0.8%                          |
| <b>Total equity and liabilities</b>    | <b>6 854 664</b> | <b>-16.9%</b>           | <b>100.0%</b>                 | <b>4 713 191</b>     | <b>4 257 397</b> | <b>4 627 775</b>  | <b>-12.3%</b>           | <b>100.0%</b>                 |

## Personnel information

**Table 15.25 National Skills Fund personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2019 |   | 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 (%) |           |     |       |        |
|   |   | 2017/18  |      | 2018/19   | 2018/19          |      | 2019/20   |                                  | 2020/21 |           | 2021/22 |      | 2018/19 - 2021/22 |                         |                                |           |     |       |        |
|   |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost    | Unit cost | Number  | Cost | Unit cost         | Number                  | Cost                           | Unit cost |     |       |        |
| <b>National Skills Fund</b>                 |   |  |      |           |                  |      |           |                                  |         |           |         |      |                   |                         |                                |           |     |       |        |
| Salary level                                | 280                                       | 304  | 222  | 59.7      | 0.3              | 213  | 72.7      | 0.3                              | 287     | 131.9     | 0.5     | 287  | 138.7             | 0.5                     | 287                            | 144.8     | 0.5 | 25.9% | 100.0% |
| 1 - 6                                       | 133                                       | 133  | 133  | 4.0       | 0.0              | 124  | 4.7       | 0.0                              | 134     | 8.3       | 0.1     | 134  | 8.0               | 0.1                     | 134                            | 6.7       | 0.0 | 12.5% | 49.6%  |
| 7 - 10                                      | 81  | 91   | 45   | 19.2      | 0.4              | 46   | 21.2      | 0.5                              | 84      | 45.6      | 0.5     | 84   | 48.3              | 0.6                     | 84                             | 51.3      | 0.6 | 34.1% | 27.4%  |
| 13 - 16                                     | 66  | 80   | 44   | 36.4      | 0.8              | 43   | 46.7      | 1.1                              | 69      | 78.1      | 1.1     | 69   | 82.4              | 1.2                     | 69                             | 86.9      | 1.3 | 23.0% | 23.1%  |

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 past loans; maintaining and analysing a database of funded students; undertaking research for the better utilisation of financial resources; advising the minister on matters relating to student financial aid and undertaking other functions assigned to it by the act or the minister.

### Selected performance indicators

**Table 15.2 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity  | MTSF outcome   | Past                   |                                     |                        | Current                | Projections                  |                              |                              |
|--|-------------------------------|--|------------------------|-------------------------------------|------------------------|------------------------|------------------------------|------------------------------|------------------------------|
|  |                               |  | 2015/16                | 2016/17                             | 2017/18                | 2018/19                | 2019/20                      | 2020/21                      | 2021/22                      |
| Amount of financial aid raised from new funders for qualifying students per year   | Student-centred financial aid |  | R18.6m                 | R104m <sup>1</sup>                  | R56.6m <sup>1</sup>    | R11m                   | R12.1m                       | R13.3m                       | R14.6m                       |
| Amount of funds recovered from national student financial aid scheme debtors per year  | Student-centred financial aid |  | R227.8m                | R392.4m                             | R512.8m                | R640.9m                | 25% growth on 2018/19 actual | 25% growth on 2019/20 actual | 25% growth on 2020/21 actual |
| Number of students assisted in higher education institutions per year  | Student-centred financial aid |  | 178 961                | 225 950                             | 260 002                | 290 184                | 377 050                      | 469 978                      | 501 937                      |
| Number of students assisted in technical and vocational education and training colleges per year   | Student-centred financial aid | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 235 988                | 225 557                             | 200 339                | 293 925                | 484 111                      | 513 614                      | 569 380                      |
| Percentage of students for which the first instalment of amounts due to the institution is paid to the institution within 30 days of acceptance date of bursary agreement/loan agreement form/schedule of particulars                        | Student-centred financial aid |  | 98.5% (60 166/ 61 083) | 100.2% (224 594/ 224 204)           | 73% (292 212/ 400 291) | 73% (292 212/ 400 291) | 80%                          | 90%                          | 98%                          |
| Percentage of students for which the first instalment of allowances due to them (where the scheme disburses directly to students) is paid within 10 days of acceptance date of bursary agreement/loan agreement form/schedule of particulars | Student-centred financial aid |  | 94.1% (27 398/ 29 127) | 40.8% <sup>2</sup> (29 127/ 71 390) | 71% (22 204/ 31 273)   | 71% (22 204/ 31 273)   | 80%                          | 90%                          | 95%                          |

1. Funding received from 3 new funders exceeded anticipated amounts raised.
2. Lower target due to delays in configuring the ICT system.

### Expenditure analysis

Over the medium term, the National Student Financial Aid Scheme plans to continue providing financial aid to students from poor and working class families to promote access to, and success in, higher education and training; and improve its administrative and management processes. The scheme expects to receive 90.2 per cent (R103.3 billion) of its revenue over the MTEF period from transfers from the department. The bulk of the remainder is derived from transfers from the Department of Basic Education (R3.6 billion), the National Skills Fund (R1.3 billion), sector education and training authorities (R800 million), and interest (R5.3 billion).

Transfers from the department for student bursaries are expected to increase at an average annual rate of 22.6 per cent, from R20.1 billion in 2018/19 to R36.9 billion in 2021/22. These increases will fund the new departmental bursary scheme for undergraduate university and TVET college students from households with a combined annual income of up to R350 000 per year. Bursaries from the scheme will cover costs related to tuition fees, prescribed study materials, meals, accommodation and/or transport. An estimated 1 348 965 undergraduate university and 1 567 105 TVET college students will be assisted through the bursary scheme over the medium term.

In response to a number of unresolved issues on the timely disbursement of funds to students, in 2018/19, the Minister of Higher Education and Training appointed an administrator to oversee and review the scheme's administrative and management processes. Senior managers have been deployed across the country to reduce administrative backlogs and enable efficient disbursements. This model of releasing funds will inform the scheme's organisational design going forward.

Expenditure is expected to increase at an average annual rate of 16.4 per cent, from R25.5 billion in 2018/19 to R40.2 billion in 2021/22. This is mainly driven by the increase in transfers, the bulk of which are disbursed to students as part of the new departmental bursary scheme. The scheme's second largest cost driver is compensation of employees, spending on which increases at an average annual rate of 4.8 per cent, from R204.3 million in 2018/19 to R235.4 million in 2021/22. This is due to an increase in the scheme's number of

personnel, from 558 in 2018/19 to 580 in 2021/22, mainly to improve the scheme's ICT capacity and for additional call centre contractors after the introduction of a toll-free helpline for students in 2018/19. The relatively low average annual increase in spending on compensation of employees despite the increase in personnel is partly due to a freeze on salary increases approved by Cabinet for senior management staff earning more than R1.5 million per year and a 2.8 per cent increase for senior managers earning between R1 million and R1.49 million per year.

Spending on agency and outsourced services is expected to increase at an average annual rate of 6.3 per cent, from R39.9 million in 2018/19 to R47.9 million in 2021/22. The main contributors in this regard are costs relating to the debt collection commission, which have been increasing as a result of increased collection targets.

Transfers to the scheme from the department for the administration grant amount to R788 million over the period ahead, increasing from R262.1 million in 2018/19 to R274.4 million by 2021/22. Administration fees amounting to R163.1 million over the MTEF period from other funders will be used to supplement the administration grant.

### Programmes/Objectives/Activities

**Table 15.27 National Student Financial Aid Scheme expenditure trends and estimates by programme/objective/activity**

| R thousand                     | Audited outcome  |                   |                   | Revised estimate  | Average growth rate (%) | Average Expenditure/Total (%) | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average Expenditure/Total (%) |
|--------------------------------|------------------|-------------------|-------------------|-------------------|-------------------------|-------------------------------|----------------------------------|-------------------|-------------------|-------------------------|-------------------------------|
|                                | 2015/16          | 2016/17           | 2017/18           |                   |                         |                               | 2018/19                          | 2019/20           | 2020/21           |                         |                               |
| Administration                 | 128 594          | 156 214           | 197 288           | 262 085           | 26.8%                   | 1.4%                          | 249 926                          | 263 611           | 274 430           | 1.5%                    | 0.8%                          |
| Student centered financial aid | 8 420 612        | 10 882 924        | 12 469 655        | 25 228 817        | 44.2%                   | 98.6%                         | 33 667 641                       | 38 046 628        | 39 883 726        | 16.5%                   | 99.2%                         |
| <b>Total</b>                   | <b>8 549 206</b> | <b>11 039 138</b> | <b>12 666 943</b> | <b>25 490 902</b> | <b>43.9%</b>            | <b>100.0%</b>                 | <b>33 917 567</b>                | <b>38 310 239</b> | <b>40 158 157</b> | <b>16.4%</b>            | <b>100.0%</b>                 |

### Statements of historical financial performance and position

**Table 15.28 National Student Financial Aid Scheme statements of historical financial performance and position**

| Statement of financial performance                   | Audited outcome   |                   | Audited outcome   |                   | Audited outcome   |                   | Budget estimate   | Revised estimate  | Average: Outcome/Budget (%) |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
|  | Budget            | 2015/16           | Budget            | 2016/17           | Budget            | 2017/18           |                   |                   |                             |
| R thousand   |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| <b>Revenue</b>                                       |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| <b>Non-tax revenue</b>                               | <b>890 682</b>    | <b>720 270</b>    | <b>783 217</b>    | <b>1 174 490</b>  | <b>1 203 345</b>  | <b>1 512 091</b>  | <b>1 557 687</b>  | <b>2 832 018</b>  | <b>140.7%</b>               |
| Sale of goods and services other than capital assets | 16 750            | 22 344            | 19 753            | 20 408            | 23 543            | 25 209            | 23 944            | 23 944            | 109.4%                      |
| <i>of which:</i>                                     |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Administrative fees                                  | 16 750            | 22 344            | 19 753            | 20 408            | 23 543            | 25 209            | 23 944            | 23 944            | 109.4%                      |
| Other non-tax revenue                                | 873 932           | 697 926           | 763 464           | 1 154 082         | 1 179 802         | 1 486 882         | 1 533 743         | 2 808 074         | 141.3%                      |
| <b>Transfers received</b>                            | <b>9 226 053</b>  | <b>9 543 492</b>  | <b>14 310 976</b> | <b>11 792 572</b> | <b>15 542 872</b> | <b>14 215 395</b> | <b>23 160 690</b> | <b>22 459 962</b> | <b>93.2%</b>                |
| <b>Total revenue</b>                                 | <b>10 116 735</b> | <b>10 263 762</b> | <b>15 094 193</b> | <b>12 967 062</b> | <b>16 746 216</b> | <b>15 727 486</b> | <b>24 718 377</b> | <b>25 291 980</b> | <b>96.4%</b>                |
| <b>Expenses</b>                                      |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| <b>Current expenses</b>                              | <b>197 172</b>    | <b>2 129 212</b>  | <b>267 469</b>    | <b>3 713 858</b>  | <b>3 503 381</b>  | <b>5 278 903</b>  | <b>621 928</b>    | <b>1 352 332</b>  | <b>271.8%</b>               |
| Compensation of employees                            | 101 554           | 95 939            | 138 743           | 123 332           | 156 669           | 149 111           | 181 385           | 204 292           | 99.0%                       |
| Goods and services                                   | 67 562            | 2 007 274         | 99 397            | 3 579 320         | 3 331 167         | 5 114 980         | 424 112           | 1 131 609         | 301.7%                      |
| Depreciation   | 28 056            | 26 000            | 29 329            | 11 206            | 15 545            | 14 812            | 16 431            | 16 431            | 76.6%                       |
| <b>Transfers and subsidies</b>                       | <b>7 242 411</b>  | <b>6 419 994</b>  | <b>9 452 883</b>  | <b>7 325 280</b>  | <b>10 107 636</b> | <b>7 388 040</b>  | <b>22 891 570</b> | <b>24 138 570</b> | <b>91.1%</b>                |
| <b>Total expenses</b>                                | <b>7 439 583</b>  | <b>8 549 206</b>  | <b>9 720 352</b>  | <b>11 039 138</b> | <b>13 611 017</b> | <b>12 666 943</b> | <b>23 513 498</b> | <b>25 490 902</b> | <b>106.4%</b>               |
| <b>Surplus/(Deficit)</b>                             | <b>2 677 152</b>  | <b>1 714 556</b>  | <b>5 373 841</b>  | <b>1 927 924</b>  | <b>3 135 199</b>  | <b>3 060 543</b>  | <b>1 204 879</b>  | <b>(198 922)</b>  |                             |
| <b>Statement of financial position</b>               |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Carrying value of assets                             | 40 597            | 22 020            | 22 777            | 48 606            | 23 563            | 40 592            | 24 380            | 39 577            | 135.5%                      |
| <i>of which:</i>                                     |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Acquisition of assets                                | (12 675)          | (9 721)           | (13 963)          | (8 191)           | (8 855)           | (6 801)           | (8 596)           | (10 404)          | 79.7%                       |
| Loans  | 6 476 835         | 7 176 160         | 10 284 168        | 9 362 023         | 12 533 428        | 10 308 311        | 11 812 339        | 10 550 058        | 91.0%                       |
| Receivables and prepayments                          | 1 373 360         | 2 036 489         | 2 029 428         | 1 921 538         | 2 079 855         | 4 129 753         | 2 131 537         | 7 438 505         | 203.9%                      |
| Cash and cash equivalents                            | 1 628 004         | 912 912           | 1 004 203         | 3 897 284         | 4 287 012         | 3 671 317         | 4 715 714         | 4 293 356         | 109.8%                      |
| <b>Total assets</b>                                  | <b>9 518 797</b>  | <b>10 147 581</b> | <b>13 340 576</b> | <b>15 229 451</b> | <b>18 923 859</b> | <b>18 149 973</b> | <b>18 683 970</b> | <b>22 321 496</b> | <b>108.9%</b>               |
| Accumulated surplus/(deficit)                        | 445 766           | 1 714 556         | 1 741 207         | 1 927 924         | 2 113 729         | 3 060 543         | 3 318 608         | 3 406 043         | 132.7%                      |
| Capital and reserves                                 | 7 375 229         | 7 375 229         | 10 485 213        | 9 144 667         | 12 644 315        | 11 072 590        | 10 093 502        | 13 875 238        | 102.1%                      |
| Deferred income                                      | 1 340 917         | 825 866           | 867 159           | 3 568 542         | 3 603 150         | 3 639 337         | 4 684 094         | 4 672 830         | 121.1%                      |
| Trade and other payables                             | 291 194           | 172 047           | 180 649           | 556 400           | 532 342           | 350 268           | 558 959           | 341 511           | 90.9%                       |
| Provisions   | 65 691            | 59 883            | 66 348            | 31 919            | 30 323            | 27 235            | 28 807            | 25 873            | 75.8%                       |
| <b>Total equity and liabilities</b>                  | <b>9 518 797</b>  | <b>10 147 581</b> | <b>13 340 577</b> | <b>15 229 452</b> | <b>18 923 859</b> | <b>18 149 973</b> | <b>18 683 970</b> | <b>22 321 496</b> | <b>108.9%</b>               |

## Statements of estimates of financial performance and position

**Table 15.29 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 (%) |
|--|-------------------|-------------------------|-------------------------------|----------------------|-------------------|-------------------|-------------------------|-------------------------------|
| R thousand   | Revised estimate  | 2015/16 - 2018/19       | 2019/20                       | 2020/21              | 2021/22           | 2018/19 - 2021/22 | 2018/19 - 2021/22       |                               |
| <b>Revenue</b>                                       |                   |                         |                               |                      |                   |                   |                         |                               |
| <b>Non-tax revenue</b>                               | <b>2 832 018</b>  | <b>57.8%</b>            | <b>9.2%</b>                   | <b>1 769 696</b>     | <b>1 815 697</b>  | <b>1 905 800</b>  | <b>-12.4%</b>           | <b>6.4%</b>                   |
| Sale of goods and services other than capital assets | 23 944            | 2.3%                    | 0.2%                          | 53 736               | 54 354            | 54 988            | 31.9%                   | 0.1%                          |
| <i>of which:</i>                                     |                   |                         |                               |                      |                   |                   |                         |                               |
| Administrative fees                                  | 23 944            | 2.3%                    | 0.2%                          | 53 736               | 54 354            | 54 988            | 31.9%                   | 0.1%                          |
| Other non-tax revenue                                | 2 808 074         | 59.0%                   | 9.1%                          | 1 715 960            | 1 761 343         | 1 850 812         | -13.0%                  | 6.3%                          |
| <b>Transfers received</b>                            | <b>22 459 962</b> | <b>33.0%</b>            | <b>90.8%</b>                  | <b>32 841 758</b>    | <b>37 232 413</b> | <b>39 078 573</b> | <b>20.3%</b>            | <b>93.6%</b>                  |
| <b>Total revenue</b>                                 | <b>25 291 980</b> | <b>35.1%</b>            | <b>100.0%</b>                 | <b>34 611 454</b>    | <b>39 048 110</b> | <b>40 984 373</b> | <b>17.5%</b>            | <b>100.0%</b>                 |
| <b>Expenses</b>                                      |                   |                         |                               |                      |                   |                   |                         |                               |
| <b>Current expenses</b>                              | <b>1 352 332</b>  | <b>-14.0%</b>           | <b>26.4%</b>                  | <b>1 356 396</b>     | <b>1 376 994</b>  | <b>1 395 009</b>  | <b>1.0%</b>             | <b>4.1%</b>                   |
| Compensation of employees                            | 204 292           | 28.7%                   | 1.1%                          | 209 536              | 222 236           | 235 432           | 4.8%                    | 0.6%                          |
| Goods and services                                   | 1 131 609         | -17.4%                  | 25.2%                         | 1 132 072            | 1 141 449         | 1 147 598         | 0.5%                    | 3.4%                          |
| Depreciation   | 16 431            | -14.2%                  | 0.1%                          | 14 788               | 13 309            | 11 978            | -10.0%                  | 0.0%                          |
| <b>Transfers and subsidies</b>                       | <b>24 138 570</b> | <b>55.5%</b>            | <b>73.6%</b>                  | <b>32 561 170</b>    | <b>36 933 245</b> | <b>38 763 148</b> | <b>17.1%</b>            | <b>95.9%</b>                  |
| <b>Total expenses</b>                                | <b>25 490 902</b> | <b>43.9%</b>            | <b>100.0%</b>                 | <b>33 917 566</b>    | <b>38 310 239</b> | <b>40 158 157</b> | <b>16.4%</b>            | <b>100.0%</b>                 |
| <b>Surplus/(Deficit)</b>                             | <b>(198 922)</b>  |                         |                               | <b>693 888</b>       | <b>737 871</b>    | <b>826 217</b>    |                         |                               |
| <b>Statement of financial position</b>               |                   |                         |                               |                      |                   |                   |                         |                               |
| Carrying value of assets                             | 39 577            | 21.6%                   | 0.2%                          | 38 588               | 37 623            | 35 742            | -3.3%                   | 0.2%                          |
| <i>of which:</i>                                     |                   |                         |                               |                      |                   |                   |                         |                               |
| Acquisition of assets                                | (10 404)          | 2.3%                    | -0.1%                         | (11 818)             | (12 320)          | (12 854)          | 7.3%                    | -0.1%                         |
| Loans  | 10 550 058        | 13.7%                   | 59.1%                         | 9 792 915            | 8 997 914         | 8 163 164         | -8.2%                   | 49.7%                         |
| Receivables and prepayments                          | 7 438 505         | 54.0%                   | 22.2%                         | 4 550 475            | 4 776 443         | 5 013 452         | -12.3%                  | 28.5%                         |
| Cash and cash equivalents                            | 4 293 356         | 67.5%                   | 18.5%                         | 3 886 020            | 3 985 655         | 4 087 499         | -1.6%                   | 21.6%                         |
| <b>Total assets</b>                                  | <b>22 321 496</b> | <b>30.1%</b>            | <b>100.0%</b>                 | <b>18 267 998</b>    | <b>17 797 635</b> | <b>17 299 858</b> | <b>-8.1%</b>            | <b>100.0%</b>                 |
| Accumulated surplus/(deficit)                        | 3 406 043         | 25.7%                   | 15.4%                         | 2 706 825            | 2 045 984         | 1 500 112         | -23.9%                  | 12.6%                         |
| Capital and reserves                                 | 13 875 238        | 23.4%                   | 64.0%                         | 11 390 336           | 11 415 284        | 11 293 911        | -6.6%                   | 63.5%                         |
| Deferred income                                      | 4 672 830         | 78.2%                   | 18.1%                         | 3 821 822            | 4 012 913         | 4 213 558         | -3.4%                   | 22.2%                         |
| Trade and other payables                             | 341 511           | 25.7%                   | 2.2%                          | 324 436              | 300 103           | 270 093           | -7.5%                   | 1.6%                          |
| Provisions   | 25 873            | -24.4%                  | 0.3%                          | 24 580               | 23 351            | 22 183            | -5.0%                   | 0.1%                          |
| <b>Total equity and liabilities</b>                  | <b>22 321 496</b> | <b>30.1%</b>            | <b>100.0%</b>                 | <b>18 267 998</b>    | <b>17 797 635</b> | <b>17 299 857</b> | <b>-8.1%</b>            | <b>100.0%</b>                 |

## Personnel information

**Table 15.30 National Student Financial Aid Scheme personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2019 |   | 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 (%) |           |                   |     |       |     |       |        |
|   |   | 2017/18  |      | 2018/19   |                  | 2019/20 |           | 2020/21                          |      | 2021/22   |                         |                                |           |                   |     |       |     |       |        |
| National Student Financial Aid Scheme       |   | Number   | Cost | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost | Unit cost | Number                  | Cost                           | Unit cost | 2018/19 - 2021/22 |     |       |     |       |        |
| Salary level                                | 500                                       | 530  | 448  | 149.1     | 0.3              | 558     | 204.3     | 0.4                              | 526  | 209.5     | 0.4                     | 537                            | 222.2     | 0.4               | 580 | 235.4 | 0.4 | 4.8%  | 100.0% |
| 1 - 6                                       | 336                                       | 366  | 315  | 60.4      | 0.2              | 389     | 78.3      | 0.2                              | 349  | 71.8      | 0.2                     | 359                            | 79.9      | 0.2               | 400 | 84.6  | 0.2 | 2.6%  | 68.0%  |
| 7 - 10                                      | 89  | 89   | 80   | 37.3      | 0.5              | 89      | 43.4      | 0.5                              | 92   | 48.4      | 0.5                     | 94                             | 52.8      | 0.6               | 94  | 56.3  | 0.6 | 9.1%  | 16.8%  |
| 11 - 12                                     | 32  | 32   | 26   | 22.0      | 0.8              | 32      | 26.2      | 0.8                              | 42   | 39.3      | 0.9                     | 43                             | 42.2      | 1.0               | 45  | 47.0  | 1.0 | 21.6% | 7.4%   |
| 13 - 16                                     | 43  | 43   | 27   | 29.4      | 1.1              | 48      | 56.4      | 1.2                              | 43   | 50.0      | 1.2                     | 41                             | 47.4      | 1.2               | 41  | 47.4  | 1.2 | -5.6% | 7.9%   |

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 15.31 Sector education and training authorities performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/Activity/ Objective | MTSF outcome   | Past    |         |         | Current | Projections |         |         |
|---|-------------------------------|--|---------|---------|---------|---------|-------------|---------|---------|
|   |                               |  | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20     | 2020/21 | 2021/22 |
| Number of unemployed persons entering skills programmes per year                                    | Discretionary grant           | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 38 622  | 31 715  | 34 252  | 36 992  | 39 211      | 41 563  | 44 057  |
| Number of workers entering skills programmes per year   | Mandatory grant               |  | 84 971  | 78 215  | 84 472  | 91 229  | 96 702      | 102 504 | 108 654 |
| Number of unemployed persons completing skills programmes per year                                  | Discretionary grant           |  | 35 675  | 16 074  | 17 359  | 18 747  | 18 401      | 19 505  | 20 675  |
| Number of workers completing skills programmes per year   | Mandatory grant               |  | 91 469  | 62 388  | 67 379  | 72 769  | 71 422      | 75 707  | 80 249  |
| Number of unemployed persons entering learnerships per year   | Discretionary grant           |  | 67 029  | 47 554  | 51 358  | 55 466  | 54 439      | 57 705  | 61 167  |
| Number of workers entering learnerships per year  | Mandatory grant               |  | 27 340  | 33 085  | 35 731  | 38 589  | 37 875      | 40 147  | 42 556  |
| Number of unemployed persons completing learnerships per year                                       | Discretionary grant           |  | 28 356  | 24 878  | 26 868  | 29 017  | 28 480      | 30 231  | 32 045  |
| Number of workers completing learnerships per year  | Mandatory grant               |  | 14 957  | 17 927  | 19 361  | 20 909  | 20 523      | 21 754  | 23 059  |
| Number of unemployed persons receiving bursaries per year   | Discretionary grant           |  | 19 044  | 11 630  | 12 560  | 13 564  | 13 314      | 14 113  | 14 960  |
| Number of workers receiving bursaries per year  | Mandatory grant               |  | 7 056   | 8 157   | 8 809   | 9 513   | 9 338       | 9 898   | 10 492  |
| Number of university students placed in workplaces per year as part of qualification requirements   | Discretionary grant           |  | 7 643   | 20 089  | 21 696  | 23 431  | 22 998      | 24 377  | 25 840  |
| Number of TVET college students placed in workplaces per year as part of qualification requirements | Discretionary grant           |  | 13 213  | 11 633  | 12 563  | 13 568  | 13 317      | 14 116  | 14 963  |

**Expenditure analysis**

Over the medium term, the 21 sector education and training authorities will focus on supporting skills development in various economic sectors by establishing strategic partnerships with key role players such as TVET colleges, universities and employers within the post-school education and training system. The authorities also intend to support the implementation of learning programmes such as artisan development, apprenticeships, learnerships, internships, skills programmes and bursaries.

The number of bursaries awarded by authorities to unemployed individuals to undertake higher education and training is projected to increase from 13 314 in 2019/20 to 14 960 in 2021/22, amounting to 42 887 over the MTEF period, while the number of bursaries awarded to workers is expected to increase from 9 338 in 2019/20 to 10 492 in 2021/22, amounting to 29 728 over the same period. An estimated 432 691 unemployed people and workers are expected to enter skills programmes run by sector education and training authorities. These 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.

Sector education and training authorities derive 91.4 per cent of their revenue over the MTEF period from the skills development levy, which is collected by the South African Revenue Service and transferred to the authorities as a direct charge against the National Revenue Fund. Revenue from the levy is expected to increase at an average annual rate of 8.8 per cent, from R16.3 billion in 2018/19 to R19.9 billion in 2021/22. The bulk of the remaining revenue is generated from interest income, which increases from R1 billion in 2018/19 to R1.1 billion in 2021/22.

**Programmes/Objectives/Activities****Table 15.32 Sector education and training authorities expenditure trends and estimates by programme/objective/activity**

| R thousand                        | Audited outcome   |                   |                   | Revised estimate  | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average: Expenditure/Total (%) |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|--------------------------------|----------------------------------|-------------------|-------------------|-------------------------|--------------------------------|
|                                   | 2015/16           | 2016/17           | 2017/18           |                   |                         |                                | 2018/19                          | 2019/20           | 2020/21           |                         |                                |
| Administration                    | 1 584 221         | 1 928 515         | 2 322 366         | 2 601 433         | 18.0%                   | 14.8%                          | 2 588 879                        | 2 730 252         | 2 888 786         | 3.6%                    | 15.7%                          |
| Mandatory Grants                  | 2 548 232         | 2 076 467         | 2 196 667         | 466 082           | -43.2%                  | 13.5%                          | 513 810                          | 543 875           | 574 892           | 7.2%                    | 3.0%                           |
| Discretionary Grants and Projects | 6 965 660         | 9 601 256         | 9 194 855         | 1 262 849         | -43.4%                  | 49.2%                          | 1 275 887                        | 1 306 885         | 1 372 608         | 2.8%                    | 7.6%                           |
| Skill Planning                    | 249 939           | 390 671           | 541 523           | 2 468 016         | 114.5%                  | 6.1%                           | 2 584 099                        | 2 695 208         | 2 869 796         | 5.2%                    | 15.4%                          |
| Learning Programmes and Projects  | 648 267           | -                 | 594 156           | 8 208 966         | 133.1%                  | 15.5%                          | 8 869 593                        | 9 921 004         | 11 033 636        | 10.4%                   | 55.0%                          |
| Quality Assurance                 | 3 037             | -                 | -                 | 625 937           | 490.7%                  | 1.0%                           | 502 495                          | 523 498           | 553 853           | -4.0%                   | 3.2%                           |
| <b>Total</b>                      | <b>11 999 357</b> | <b>13 996 909</b> | <b>14 849 567</b> | <b>15 633 283</b> | <b>9.2%</b>             | <b>100.0%</b>                  | <b>16 334 763</b>                | <b>17 720 722</b> | <b>19 293 571</b> | <b>7.3%</b>             | <b>100.0%</b>                  |

**Statements of historical financial performance and position****Table 15.33 Sector education and training authorities statements of historical financial performance and position**

| Statement of financial performance     |                   |                   |                   |                   |                   |                   |                   |                   |                             |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| R thousand                             | Audited outcome   |                   | Audited outcome   |                   | Audited outcome   |                   | Revised estimate  |                   | Average: Outcome/Budget (%) |
|  | Budget            | Revised estimate  |                             |
|  | 2015/16           | 2016/17           | 2017/18           | 2018/19           | 2015/16           | 2016/17           | 2017/18           | 2018/19           | 2015/16 - 2018/19           |
| <b>Revenue</b>                         |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Non-tax revenue                        | 879 615           | 1 234 707         | 888 925           | 1 690 582         | 1 374 991         | 1 750 261         | 1 302 552         | 1 799 659         | 145.6%                      |
| Other non-tax revenue                  | 879 615           | 1 234 707         | 888 925           | 1 690 582         | 1 374 991         | 1 750 261         | 1 302 552         | 1 799 659         | 145.6%                      |
| Transfers received                     | 12 075 566        | 12 848 620        | 12 666 937        | 13 711 420        | 13 696 908        | 13 458 145        | 14 119 941        | 14 479 495        | 103.7%                      |
| <b>Total revenue</b>                   | <b>12 955 181</b> | <b>14 083 327</b> | <b>13 555 862</b> | <b>15 402 003</b> | <b>15 071 899</b> | <b>15 208 406</b> | <b>15 422 493</b> | <b>16 279 154</b> | <b>107.0%</b>               |
| <b>Expenses</b>                        |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Current expenses                       | 44 842            | 1 785 931         | 60 955            | 2 231 509         | 64 461            | 2 361 722         | 2 591 546         | 2 611 724         | 325.5%                      |
| Compensation of employees              | 17 282            | 905 671           | 17 801            | 965 831           | 27 642            | 1 241 491         | 1 406 890         | 1 405 326         | 307.4%                      |
| Goods and services                     | 27 560            | 846 922           | 43 154            | 1 223 852         | 36 819            | 1 074 456         | 1 116 485         | 1 138 816         | 350.0%                      |
| Depreciation                           | -                 | 32 818            | -                 | 41 800            | -                 | 45 768            | 68 170            | 67 582            | 275.7%                      |
| Interest, dividends and rent on land   | -                 | 520               | -                 | 25                | -                 | 7                 | -                 | -                 | -                           |
| Transfers and subsidies                | 443 327           | 10 213 427        | 399 045           | 11 765 401        | 346 925           | 12 487 846        | 12 374 572        | 13 021 559        | 350.1%                      |
| <b>Total expenses</b>                  | <b>488 169</b>    | <b>11 999 357</b> | <b>460 000</b>    | <b>13 996 910</b> | <b>411 386</b>    | <b>14 849 567</b> | <b>14 966 117</b> | <b>15 633 282</b> | <b>346.0%</b>               |
| <b>Surplus/(Deficit)</b>               | <b>12 467 012</b> | <b>2 083 970</b>  | <b>13 095 862</b> | <b>1 405 093</b>  | <b>14 660 513</b> | <b>358 839</b>    | <b>456 376</b>    | <b>645 871</b>    |                             |
| <b>Statement of financial position</b> |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Carrying value of assets               | 434 623           | 308 414           | 571 226           | 344 541           | 554 430           | 397 387           | 527 249           | 508 229           | 74.7%                       |
| of which:                              |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Acquisition of assets                  | (57 019)          | (150 129)         | (35 885)          | (84 321)          | (103 963)         | (158 492)         | (99 664)          | (133 918)         | 177.7%                      |
| Investments                            | 1 746 503         | 1 717 666         | 1 950 000         | 105 617           | -                 | -                 | -                 | -                 | 49.3%                       |
| Inventory                              | 4 055             | 6 863             | 3 821             | 5 037             | 4 028             | 5 951             | 4 348             | 5 588             | 144.2%                      |
| Accrued investment interest            | 33 388            | 5 201             | 35 793            | 84 952            | 42 537            | 130 757           | 92 933            | 132 933           | 172.9%                      |
| Receivables and prepayments            | 171 442           | 326 740           | 164 450           | 958 823           | 209 968           | 629 505           | 247 266           | 273 994           | 276.0%                      |
| Cash and cash equivalents              | 8 331 233         | 13 945 668        | 8 658 173         | 17 389 634        | 12 305 543        | 18 850 275        | 12 963 870        | 14 559 955        | 153.2%                      |
| <b>Total assets</b>                    | <b>10 721 243</b> | <b>16 310 552</b> | <b>11 383 463</b> | <b>18 888 604</b> | <b>13 116 506</b> | <b>20 013 875</b> | <b>13 835 666</b> | <b>15 480 699</b> | <b>144.1%</b>               |
| Accumulated surplus/(deficit)          | 4 766 450         | 5 461 469         | 4 346 291         | 6 109 027         | 5 440 915         | 6 684 144         | 6 257 220         | 6 891 796         | 120.8%                      |
| Capital and reserves                   | 3 810 367         | 8 380 984         | 4 892 235         | 9 162 720         | 5 052 542         | 9 730 229         | 4 841 337         | 5 876 277         | 178.3%                      |
| Capital reserve fund                   | 66 282            | 174 498           | 148 414           | 200 345           | 128 955           | 120 024           | 180 887           | 154 015           | 123.7%                      |
| Borrowings                             | 1 044             | -                 | 1 109             | -                 | 1 173             | -                 | 1 241             | 1 241             | 27.2%                       |
| Finance lease                          | 5 325             | 1 999             | 6 667             | 3 859             | 616               | 4 551             | 649               | 649               | 83.4%                       |
| Deferred income                        | 5 091             | 20 196            | 5 335             | 11 820            | 14 043            | 11 512            | 14 948            | 14 948            | 148.4%                      |
| Trade and other payables               | 1 032 696         | 1 091 707         | 903 462           | 1 484 292         | 1 367 008         | 1 951 706         | 1 466 684         | 1 509 196         | 126.6%                      |
| Provisions                             | 740 345           | 699 182           | 720 916           | 1 569 340         | 720 408           | 1 205 850         | 722 053           | 738 091           | 145.1%                      |
| Derivatives financial instruments      | 293 643           | 480 516           | 328 899           | 347 201           | 390 846           | 305 860           | 350 647           | 294 487           | 104.7%                      |
| <b>Total equity and liabilities</b>    | <b>10 721 244</b> | <b>16 310 552</b> | <b>11 353 327</b> | <b>18 888 604</b> | <b>13 116 506</b> | <b>20 013 875</b> | <b>13 835 666</b> | <b>15 480 700</b> | <b>144.2%</b>               |

## Statements of estimates of financial performance and position

**Table 15.34 Sector education and training authorities 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                       | 2018/19           | 2015/16 - 2018/19       | 2019/20                         | 2020/21              | 2021/22           | 2018/19 - 2021/22 |                         |                                 |
| R thousand                             |                   |                         |                                 |                      |                   |                   |                         |                                 |
| <b>Revenue</b>                         |                   |                         |                                 |                      |                   |                   |                         |                                 |
| Non-tax revenue                        | 1 799 659         | 13.4%                   | 10.6%                           | 1 377 232            | 1 417 815         | 1 477 995         | -6.4%                   | 8.6%                            |
| Other non-tax revenue                  | 1 799 659         | 13.4%                   | 10.6%                           | 1 377 232            | 1 417 815         | 1 477 995         | -6.4%                   | 8.6%                            |
| Transfers received                     | 14 479 495        | 4.1%                    | 89.4%                           | 15 618 962           | 16 989 078        | 18 521 916        | 8.6%                    | 91.4%                           |
| <b>Total revenue</b>                   | <b>16 279 154</b> | <b>4.9%</b>             | <b>100.0%</b>                   | <b>16 996 194</b>    | <b>18 406 892</b> | <b>19 999 910</b> | <b>7.1%</b>             | <b>100.0%</b>                   |
| <b>Expenses</b>                        |                   |                         |                                 |                      |                   |                   |                         |                                 |
| Current expenses                       | 2 611 724         | 13.5%                   | 15.9%                           | 2 754 022            | 2 917 847         | 3 126 136         | 6.2%                    | 16.6%                           |
| Compensation of employees              | 1 405 326         | 15.8%                   | 7.9%                            | 1 509 458            | 1 611 255         | 1 726 028         | 7.1%                    | 9.1%                            |
| Goods and services                     | 1 138 816         | 10.4%                   | 7.6%                            | 1 174 332            | 1 231 581         | 1 322 081         | 5.1%                    | 7.1%                            |
| Depreciation                           | 67 582            | 27.2%                   | 0.3%                            | 70 233               | 75 010            | 78 026            | 4.9%                    | 0.4%                            |
| Transfers and subsidies                | 13 021 559        | 8.4%                    | 84.1%                           | 13 580 741           | 14 802 875        | 16 167 435        | 7.5%                    | 83.4%                           |
| <b>Total expenses</b>                  | <b>15 633 282</b> | <b>9.2%</b>             | <b>100.0%</b>                   | <b>16 334 763</b>    | <b>17 720 722</b> | <b>19 293 571</b> | <b>7.3%</b>             | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>               | <b>645 871</b>    |                         |                                 | <b>661 431</b>       | <b>686 171</b>    | <b>706 340</b>    |                         |                                 |
| <b>Statement of financial position</b> |                   |                         |                                 |                      |                   |                   |                         |                                 |
| Carrying value of assets               | 508 229           | 18.1%                   | 2.2%                            | 513 031              | 524 547           | 421 914           | -6.0%                   | 2.9%                            |
| <i>of which:</i>                       |                   |                         |                                 |                      |                   |                   |                         |                                 |
| Acquisition of assets                  | (133 918)         | -3.7%                   | -0.8%                           | (101 447)            | (108 221)         | (117 506)         | -4.3%                   | -0.7%                           |
| Inventory                              | 5 588             | -6.6%                   | 0.0%                            | 5 843                | 6 049             | 6 673             | 6.1%                    | 0.0%                            |
| Accrued investment interest            | 132 933           | 194.6%                  | 0.5%                            | 134 933              | 137 933           | 142 933           | 2.4%                    | 0.8%                            |
| Receivables and prepayments            | 273 994           | -5.7%                   | 3.0%                            | 284 104              | 292 939           | 277 812           | 0.5%                    | 1.7%                            |
| Cash and cash equivalents              | 14 559 955        | 1.4%                    | 91.5%                           | 15 596 976           | 16 014 812        | 17 507 919        | 6.3%                    | 94.5%                           |
| <b>Total assets</b>                    | <b>15 480 699</b> | <b>-1.7%</b>            | <b>100.0%</b>                   | <b>16 534 887</b>    | <b>16 976 280</b> | <b>18 357 251</b> | <b>5.8%</b>             | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)          | 6 891 796         | 8.1%                    | 35.9%                           | 7 108 663            | 7 192 037         | 6 902 264         | 0.1%                    | 41.9%                           |
| Capital and reserves                   | 5 876 277         | -11.2%                  | 46.6%                           | 6 700 233            | 7 015 038         | 8 734 125         | 14.1%                   | 41.8%                           |
| Capital reserve fund                   | 154 015           | -4.1%                   | 0.9%                            | 153 044              | 152 117           | 102 254           | -12.8%                  | 0.8%                            |
| Borrowings                             | 1 241             | -                       | 0.0%                            | 1 307                | 1 379             | 1 454             | 5.4%                    | 0.0%                            |
| Finance lease                          | 649               | -31.3%                  | 0.0%                            | 2 258                | 2 380             | 2 508             | 56.9%                   | 0.0%                            |
| Deferred income                        | 14 948            | -9.5%                   | 0.1%                            | 15 726               | 16 544            | 18 179            | 6.7%                    | 0.1%                            |
| Trade and other payables               | 1 509 196         | 11.4%                   | 8.5%                            | 1 620 211            | 1 623 764         | 1 545 441         | 0.8%                    | 9.4%                            |
| Provisions                             | 738 091           | 1.8%                    | 5.8%                            | 589 478              | 600 076           | 657 978           | -3.8%                   | 3.9%                            |
| Derivatives financial instruments      | 294 487           | -15.1%                  | 2.1%                            | 343 968              | 372 947           | 393 050           | 10.1%                   | 2.1%                            |
| <b>Total equity and liabilities</b>    | <b>15 480 700</b> | <b>-1.7%</b>            | <b>100.0%</b>                   | <b>16 534 888</b>    | <b>16 976 281</b> | <b>18 357 253</b> | <b>5.8%</b>             | <b>100.0%</b>                   |

## Personnel information

**Table 15.35 Sector Education and Training Authority personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2019 |   | 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 (%) |                   |     |      |        |
|   |   | 2017/18  |       | Unit cost | 2018/19          |       | Unit cost | 2019/20                          |       | 2020/21   |        | 2021/22 |           |                         |                                 | 2018/19 - 2021/22 |     |      |        |
| Sector Education and Training Authority     |   | Number   | Cost  | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number | Cost    | Unit cost | Number                  | Cost                            | Unit cost         |     |      |        |
| Salary level                                | 2 640                                     | 2 672  | 2 296 | 1 241.5   | 0.5              | 2 595 | 1 405.3   | 0.5                              | 2 645 | 1 509.5   | 0.6    | 2 558   | 1 611.3   | 0.6                     | 2 581                           | 1 726.0           | 0.7 | 7.1% | 100.0% |
| 1 - 6                                       | 452                                       | 459  | 377   | 70.7      | 0.2              | 475   | 79.1      | 0.2                              | 478   | 80.4      | 0.2    | 395     | 85.5      | 0.2                     | 395                             | 93.9              | 0.2 | 5.9% | 16.8%  |
| 7 - 10                                      | 1 532                                     | 1 549  | 1 321 | 546.0     | 0.4              | 1 452 | 616.7     | 0.4                              | 1 507 | 662.9     | 0.4    | 1 503   | 708.7     | 0.5                     | 1 521                           | 759.8             | 0.5 | 7.2% | 57.7%  |
| 11 - 12                                     | 364                                       | 364  | 314   | 258.5     | 0.8              | 369   | 314.0     | 0.9                              | 365   | 336.0     | 0.9    | 366     | 356.0     | 1.0                     | 370                             | 384.5             | 1.0 | 7.0% | 14.2%  |
| 13 - 16                                     | 281                                       | 289  | 272   | 338.1     | 1.2              | 287   | 364.6     | 1.3                              | 283   | 397.5     | 1.4    | 282     | 419.9     | 1.5                     | 283                             | 449.7             | 1.6 | 7.2% | 10.9%  |
| 17 - 22                                     | 11  | 11   | 12    | 28.3      | 2.4              | 12    | 31.0      | 2.6                              | 12    | 32.8      | 2.7    | 12      | 41.1      | 3.4                     | 12                              | 38.2              | 3.2 | 7.2% | 0.5%   |

1. Rand million.

## Council on Higher Education

### Mandate

The Council on Higher Education was established in terms of the Higher Education Act (1997) and the National Qualifications Framework Act (2008), and has executive responsibility for quality assurance and the promotion of higher education.

## Selected performance indicators

**Table 15.36 Council on Higher Education performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity                    | MTSF outcome   | Past                 |                      |                      | Current              | Projections            |                        |                        |
|--|---|--|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|
|  |   |  | 2015/16              | 2016/17              | 2017/18              | 2018/19              | 2019/20                | 2020/21                | 2021/22                |
| Percentage accreditation of new programmes submitted to the council per year                                   | Institutional quality assurance                 |  | 88%<br>(373/<br>424) | 86%<br>(660/<br>771) | 85%<br>(619/<br>725) | 75%<br>(728/<br>971) | 75%<br>(803/<br>1 071) | 75%<br>(878/<br>1 171) | 75%<br>(878/<br>1 171) |
| Number of qualification standards developed per year within the standards development cycle of 18 to 24 months | Qualifications management and programme reviews | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 5                    | 4                    | 4                    | 4                    | 4                      | 4                      | 4                      |
| Number of publications recording research findings published per year  | Research, monitoring and advice                 |  | 2                    | 2                    | 1                    | 1                    | 1                      | 1                      | 1                      |
| Number of monitoring publications, VitalStats, published per year  | Research, monitoring and advice                 |  | 1                    | 1                    | 2                    | 1                    | 1                      | 1                      | 1                      |
| Number of proactive advice reports submitted to the Minister of Higher Education and Training per year         | Research, monitoring and advice                 |  | 2                    | 0 <sup>1</sup>       | 0 <sup>1</sup>       | 2                    | 2                      | 2                      | 2                      |

1. No proactive reports were submitted in these years due to budget shortfalls.

## Expenditure analysis

Over the medium term, the Council on Higher Education will continue to focus on becoming a recognised centre for information and policy analysis on higher education, and on advising the Minister of Higher Education and Training on all higher education matters by monitoring and conducting research on the state of the sector.

As the council's work requires skilled personnel to cover service outputs such as research, quality assurance, knowledge and advisory services, and monitoring and evaluation, spending on compensation of employees accounts for 65.4 per cent (R128.8 million) of its total budget over the MTEF period. This expenditure is projected to increase at an average annual rate of 6.7 per cent, from R37.8 million in 2018/19 to R45.9 million in 2021/22. The council expects to maintain its number of personnel at 80 over the period. This after Cabinet approved a freeze on salary increases for senior management staff earning more than R1.5 million per year and a 2.8 per cent increase for senior managers earning between R1 million and R1.49 million per year.

Transfers from the department increase from R52.2 million in 2018/19 to R59.3 million in 2021/22, accounting for 89.7 per cent of the council's total revenue over the period ahead. Remaining revenue is generated from interest earned and services rendered to private higher education institutions. Total revenue is expected to increase at an average annual rate of 5.1 per cent, from R57.3 million in 2018/19 to R66.5 million in 2021/22.

## Programmes/Objectives/Activities

**Table 15.37 Council on Higher Education expenditure trends and estimates by programme/objective/activity**

|   | Audited outcome |               |               | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |               |               | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|-----------------|---------------|---------------|------------------|-------------------------|---------------------------------|----------------------------------|---------------|---------------|-------------------------|---------------------------------|
|   | 2015/16         | 2016/17       | 2017/18       |                  |                         |                                 | 2018/19                          | 2019/20       | 2020/21       |                         |                                 |
| R thousand                                      |                 |               |               |                  |                         |                                 |                                  |               |               |                         |                                 |
| Administration                                  | 29 338          | 31 770        | 33 136        | 35 699           | 6.8%                    | 54.5%                           | 23 175                           | 24 602        | 24 596        | -11.7%                  | 42.3%                           |
| Accreditation                                   | 10 429          | 12 817        | 15 767        | 19 557           | 23.3%                   | 24.3%                           | 18 851                           | 23 863        | 27 484        | 12.0%                   | 35.1%                           |
| Research, Monitoring and Advice                 | 7 127           | 5 734         | 4 796         | 5 671            | -7.3%                   | 9.9%                            | 7 438                            | 6 527         | 8 876         | 16.1%                   | 11.2%                           |
| Assessment Quality Assurance Mechanism          | 4 334           | 3 714         | -             | -                | -100.0%                 | 3.6%                            | -                                | -             | -             | -                       | -                               |
| Qualifications Management and Programme Reviews | 3 224           | 5 031         | 5 287         | 4 928            | 15.2%                   | 7.7%                            | 10 321                           | 7 913         | 5 513         | 3.8%                    | 11.4%                           |
| <b>Total</b>                                    | <b>54 452</b>   | <b>59 066</b> | <b>58 986</b> | <b>65 855</b>    | <b>6.5%</b>             | <b>100.0%</b>                   | <b>59 785</b>                    | <b>62 905</b> | <b>66 469</b> | <b>0.3%</b>             | <b>100.0%</b>                   |

## Statements of historical financial performance and position

**Table 15.38 Council on Higher Education statements of historical financial performance and position**

| Statement of financial performance                   |         |                 |         |                 |         |                 |                 |                  |                             |
|--|---------|-----------------|---------|-----------------|---------|-----------------|-----------------|------------------|-----------------------------|
|  | Budget  | Audited outcome | Budget  | Audited outcome | Budget  | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| R thousand   | 2015/16 |                 | 2016/17 |                 | 2017/18 |                 | 2018/19         |                  | 2015/16 - 2018/19           |
| <b>Revenue</b>                                       |         |                 |         |                 |         |                 |                 |                  |                             |
| <b>Non-tax revenue</b>                               | 4 850   | 5 505           | 5 182   | 8 195           | 5 918   | 7 455           | 4 849           | 5 100            | 126.2%                      |
| Sale of goods and services other than capital assets | 4 000   | 4 208           | 4 000   | 7 218           | 5 068   | 6 176           | 4 000           | 4 250            | 128.0%                      |
| <i>of which:</i>                                     |         |                 |         |                 |         |                 |                 |                  |                             |
| <i>Sales by market establishment</i>                 | 4 000   | 4 208           | 4 000   | 7 218           | 5 068   | 6 176           | 4 000           | 4 250            | 128.0%                      |
| Other non-tax revenue                                | 850     | 1 297           | 1 182   | 977             | 850     | 1 279           | 849             | 850              | 118.0%                      |
| <b>Transfers received</b>                            | 42 996  | 44 037          | 52 004  | 41 759          | 50 670  | 62 733          | 50 727          | 52 150           | 102.2%                      |
| <b>Total revenue</b>                                 | 47 846  | 49 542          | 57 186  | 49 954          | 56 588  | 70 188          | 55 576          | 57 250           | 104.5%                      |
| <b>Expenses</b>                                      |         |                 |         |                 |         |                 |                 |                  |                             |
| <b>Current expenses</b>                              | 47 846  | 54 452          | 57 186  | 59 066          | 56 588  | 58 986          | 55 576          | 65 855           | 109.7%                      |
| Compensation of employees                            | 27 394  | 28 361          | 31 352  | 30 025          | 33 306  | 33 046          | 33 554          | 37 761           | 102.9%                      |
| Goods and services                                   | 18 302  | 23 767          | 25 834  | 26 800          | 23 282  | 23 676          | 22 022          | 25 830           | 111.9%                      |
| Depreciation   | 2 150   | 2 324           | –       | 2 241           | –       | 2 264           | –               | 2 264            | 422.9%                      |
| <b>Total expenses</b>                                | 47 846  | 54 452          | 57 186  | 59 066          | 56 588  | 58 986          | 55 576          | 65 855           | 109.7%                      |
| <b>Surplus/(Deficit)</b>                             | –       | (4 910)         | –       | (9 112)         | –       | 11 202          | –               | (8 605)          |                             |
| <b>Statement of financial position</b>               |         |                 |         |                 |         |                 |                 |                  |                             |
| Carrying value of assets                             | 40 193  | 35 068          | 42 403  | 35 595          | 45 833  | 34 437          | 45 721          | 45 721           | 86.6%                       |
| <i>of which:</i>                                     |         |                 |         |                 |         |                 |                 |                  |                             |
| <i>Acquisition of assets</i>                         | (1 950) | (1 322)         | (1 800) | (508)           | (1 132) | (1 380)         | (1 700)         | (1 700)          | 74.6%                       |
| Receivables and prepayments                          | 553     | 620             | 575     | 1 115           | 597     | 787             | 626             | 626              | 133.9%                      |
| Cash and cash equivalents                            | 13 293  | 14 805          | 10 375  | 6 519           | 7 121   | 19 371          | 7 477           | 7 477            | 125.9%                      |
| <b>Total assets</b>                                  | 54 039  | 50 493          | 53 353  | 43 229          | 53 551  | 54 595          | 53 824          | 53 824           | 94.1%                       |
| Accumulated surplus/(deficit)                        | 44 480  | 35 101          | 44 480  | 26 129          | 42 103  | 37 329          | 42 103          | 42 103           | 81.2%                       |
| Capital and reserves                                 | 4 915   | 4 915           | 4 915   | 7 289           | 7 292   | 7 292           | 7 292           | 7 292            | 109.7%                      |
| Capital reserve fund                                 | 878     | 774             | –       | –               | –       | 852             | –               | –                | 185.2%                      |
| Trade and other payables                             | 3 000   | 8 703           | 3 150   | 7 825           | 3 307   | 6 918           | 3 538           | 3 538            | 207.6%                      |
| Provisions   | 766     | 1 000           | 808     | 1 986           | 849     | 2 204           | 891             | 891              | 183.5%                      |
| <b>Total equity and liabilities</b>                  | 54 039  | 50 493          | 53 353  | 43 229          | 53 551  | 54 595          | 53 824          | 53 824           | 94.1%                       |

## Statements of estimates of financial performance and position

**Table 15.39 Council on Higher Education statements of estimates of financial performance and position**

| Statement of financial performance                   |                  |                         |                                |                      |         |         |                         |                                |  |
|--|------------------|-------------------------|--------------------------------|----------------------|---------|---------|-------------------------|--------------------------------|--|
|  | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate |         |         | Average growth rate (%) | Average: Expenditure/Total (%) |  |
| R thousand   | 2018/19          | 2015/16 - 2018/19       |                                | 2019/20              | 2020/21 | 2021/22 | 2018/19 - 2021/22       |                                |  |
| <b>Revenue</b>                                       |                  |                         |                                |                      |         |         |                         |                                |  |
| <b>Non-tax revenue</b>                               | 5 100            | -2.5%                   | 11.8%                          | 6 575                | 6 711   | 7 184   | 12.1%                   | 10.3%                          |  |
| Sale of goods and services other than capital assets | 4 250            | 0.3%                    | 9.8%                           | 5 375                | 5 250   | 5 618   | 9.7%                    | 8.3%                           |  |
| <i>of which:</i>                                     |                  |                         |                                |                      |         |         |                         |                                |  |
| <i>Sales by market establishment</i>                 | 4 250            | 0.3%                    | 9.8%                           | 5 375                | 5 250   | 5 618   | 9.7%                    | 8.3%                           |  |
| Other non-tax revenue                                | 850              | -13.1%                  | 2.0%                           | 1 200                | 1 461   | 1 566   | 22.6%                   | 2.0%                           |  |
| <b>Transfers received</b>                            | 52 150           | 5.8%                    | 88.2%                          | 53 210               | 56 194  | 59 285  | 4.4%                    | 89.7%                          |  |
| <b>Total revenue</b>                                 | 57 250           | 4.9%                    | 100.0%                         | 59 785               | 62 905  | 66 469  | 5.1%                    | 100.0%                         |  |
| <b>Expenses</b>                                      |                  |                         |                                |                      |         |         |                         |                                |  |
| <b>Current expenses</b>                              | 65 855           | 6.5%                    | 100.0%                         | 59 785               | 62 905  | 66 469  | 0.3%                    | 100.0%                         |  |
| Compensation of employees                            | 37 761           | 10.0%                   | 54.1%                          | 40 009               | 42 885  | 45 880  | 6.7%                    | 65.4%                          |  |
| Goods and services                                   | 25 830           | 2.8%                    | 42.1%                          | 19 776               | 20 020  | 20 589  | -7.3%                   | 33.8%                          |  |
| Depreciation   | 2 264            | -0.9%                   | 3.8%                           | –                    | –       | –       | -100.0%                 | 0.9%                           |  |
| <b>Total expenses</b>                                | 65 855           | 6.5%                    | 100.0%                         | 59 785               | 62 905  | 66 469  | 0.3%                    | 100.0%                         |  |
| <b>Surplus/(Deficit)</b>                             | (8 605)          |                         |                                | –                    | –       | –       |                         |                                |  |
| <b>Statement of financial position</b>               |                  |                         |                                |                      |         |         |                         |                                |  |
| Carrying value of assets                             | 45 721           | 9.2%                    | 75.0%                          | 45 721               | 47 421  | 47 421  | 1.2%                    | 84.8%                          |  |
| <i>of which:</i>                                     |                  |                         |                                |                      |         |         |                         |                                |  |
| <i>Acquisition of assets</i>                         | (1 700)          | 8.7%                    | -2.4%                          | (1 795)              | (1 886) | (1 200) | -11.0%                  | -3.0%                          |  |
| Receivables and prepayments                          | 626              | 0.3%                    | 1.6%                           | 626                  | 1 126   | 1 126   | 21.6%                   | 1.6%                           |  |
| Cash and cash equivalents                            | 7 477            | -20.4%                  | 23.4%                          | 7 477                | 7 477   | 7 477   | –                       | 13.6%                          |  |
| <b>Total assets</b>                                  | 53 824           | 2.2%                    | 100.0%                         | 53 824               | 56 024  | 56 024  | 1.3%                    | 100.0%                         |  |
| Accumulated surplus/(deficit)                        | 42 103           | 6.3%                    | 69.1%                          | 42 103               | 43 803  | 43 803  | 1.3%                    | 78.2%                          |  |
| Capital and reserves                                 | 7 292            | 14.1%                   | 13.4%                          | 7 292                | 7 292   | 7 292   | –                       | 13.3%                          |  |
| Trade and other payables                             | 3 538            | -25.9%                  | 13.6%                          | 3 538                | 4 038   | 4 038   | 4.5%                    | 6.9%                           |  |
| Provisions   | 891              | -3.8%                   | 3.1%                           | 891                  | 891     | 891     | –                       | 1.6%                           |  |
| <b>Total equity and liabilities</b>                  | 53 824           | 2.2%                    | 100.0%                         | 53 824               | 56 024  | 56 024  | 1.3%                    | 100.0%                         |  |

## Personnel information

**Table 15.40 Council on Higher Education personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2019 |   | 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 (%) |           |                   |      |        |
|   |   | 2017/18  |      | 2018/19   |                  | 2019/20 |           | 2020/21                          |      | 2021/22   |        |      |           |                         |                                 |           |                   |      |        |
| Council on Higher Education                 |   | Number   | Cost | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost | Unit cost | Number | Cost | Unit cost | Number                  | Cost                            | Unit cost | 2018/19 - 2021/22 |      |        |
| Salary level                                | 80  | 80   | 77   | 33.0      | 0.4              | 80      | 37.8      | 0.5                              | 80   | 40.0      | 0.5    | 80   | 42.9      | 0.5                     | 80                              | 45.9      | 0.6               | 6.7% | 100.0% |
| 1 – 6                                       | 32  | 32   | 32   | 1.8       | 0.1              | 32      | 2.3       | 0.1                              | 32   | 2.4       | 0.1    | 32   | 2.6       | 0.1                     | 32                              | 2.8       | 0.1               | 6.7% | 40.0%  |
| 7 – 10                                      | 26  | 26   | 23   | 10.1      | 0.4              | 26      | 12.1      | 0.5                              | 26   | 12.7      | 0.5    | 26   | 13.6      | 0.5                     | 26                              | 14.5      | 0.6               | 6.3% | 32.5%  |
| 11 – 12                                     | 20  | 20   | 20   | 17.8      | 0.9              | 20      | 19.8      | 1.0                              | 20   | 21.6      | 1.1    | 20   | 23.1      | 1.2                     | 20                              | 24.7      | 1.2               | 7.8% | 25.0%  |
| 13 – 16                                     | 2   | 2  | 2    | 3.3       | 1.7              | 2       | 3.6       | 1.8                              | 2    | 3.3       | 1.7    | 2    | 3.6       | 1.8                     | 2                               | 3.8       | 1.9               | 1.9% | 2.5%   |

1. Rand million.

## Quality Council for Trades and Occupations

### Mandate

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

### Selected performance indicators

**Table 15.41 Quality Council for Trades and Occupations performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Activity/ Objective         | MTSF outcome   | Past           |                |                        | Current | Projected |         |         |
|--|---------------------------------------|--|----------------|----------------|------------------------|---------|-----------|---------|---------|
|  |                                       |  | 2015/16        | 2016/17        | 2017/18                | 2018/19 | 2019/20   | 2020/21 | 2021/22 |
| Number of prioritised occupational qualifications recommended to the South African Qualifications Authority for registration on the occupational qualifications sub-framework per year | Occupational qualification management |  | 47             | 80             | 111 <sup>1</sup>       | 50      | 50        | 80      | 80      |
| Percentage of skills development providers offering occupational qualifications accredited per year within 90 working days   | Occupational qualification management | Outcome 5: A skilled and capable workforce to support an inclusive growth path | – <sup>2</sup> | – <sup>2</sup> | 87% (313/358)          | 90%     | 80%       | 80%     | 80%     |
| Percentage of assessment centre accreditations processed per year within 30 days   | Quality assurance                     |  | 100% (74)      | 100% (137)     | 100% (183)             | 100%    | 100%      | 100%    | 100%    |
| Percentage of certificate authenticity verification requests received and verified per year within 5 working days  | Quality assurance                     |  | – <sup>2</sup> | 100% (8 710)   | 99.99% (10 443/10 444) | 90%     | 90%       | 90%     | 90%     |

1. A higher than expected number of occupational qualifications were developed and recommended to the South African Qualifications Authority for registration in 2017/18.  
2. No historical data available.

### Expenditure analysis

Over the medium term, the Quality Council for Trades and Occupations will continue to focus on promoting and supporting skills development by managing 210 occupational qualifications sub-frameworks and certifying occupational qualifications, as well as intensifying its quality assurance functions on occupational qualifications by evaluating, assessing and verifying the qualifications provided by various registered providers.

Cabinet has approved a freeze on salary increases over the MTEF period for senior management staff earning more than R1.5 million per year and a 2.8 per cent increase for senior managers earning between R1 million and R1.49 million per year, resulting in decreases of transfers to the entity of R2.9 million in 2019/20, R3.1 million in

2020/21 and R3.3 million in 2021/22. However, spending on compensation of employees is expected to increase at an average annual rate of 11 per cent, from R63.1 million in 2018/19 to R86.4 million in 2021/22. This is due to an increase in personnel from 109 in 2018/19 to 140 in 2021/22, as contract appointments are converted to permanent posts.

The council's main source of revenue is transfers from the department and sector education and training authorities. Funds from sector education and training authorities amounting to R328.9 million over the medium term are expected to be used for the quality assurance function of skills and training programmes. The council's total revenue is expected to increase at an average annual rate of 3.2 per cent, from R144.5 million in 2018/19 to R159 million in 2021/22.

### Programmes/Objectives/Activities

**Table 15.42 Quality Council for Trades and Occupations expenditure trends and estimates by programme/objective/activity**

| R thousand                             | Audited outcome |               |               | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|---------------|---------------|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
|  | 2015/16         | 2016/17       | 2017/18       |                  |                         |                                 | 2018/19                          | 2019/20        | 2020/21        |                         |                                 |
| Administration                         | 40 350          | 29 783        | 21 626        | 64 449           | 16.9%                   | 41.8%                           | 54 453                           | 63 836         | 74 591         | 5.0%                    | 46.3%                           |
| Occupational Qualifications Management | 11 351          | 14 608        | 19 461        | 38 499           | 50.2%                   | 21.8%                           | 28 021                           | 32 593         | 38 244         | -0.2%                   | 24.7%                           |
| Occupational Quality Assurance         | 22 459          | 32 136        | 33 220        | 41 580           | 22.8%                   | 36.4%                           | 33 929                           | 39 424         | 46 208         | 3.6%                    | 29.0%                           |
| <b>Total</b>                           | <b>74 160</b>   | <b>76 527</b> | <b>74 307</b> | <b>144 528</b>   | <b>24.9%</b>            | <b>100.0%</b>                   | <b>116 403</b>                   | <b>135 853</b> | <b>159 043</b> | <b>3.2%</b>             | <b>100.0%</b>                   |

### Statements of historical financial performance and position

**Table 15.43 Quality Council for Trades and Occupations statements of historical financial performance and position**

| Statement of financial performance                   |               |                 |               |                 |               |                 |                 |                  |                              |
|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|-----------------|------------------|------------------------------|
|  | Budget        | Audited outcome | Budget        | Audited outcome | Budget        | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/ Budget (%) |
| R thousand   | 2015/16       |                 | 2016/17       |                 | 2017/18       |                 | 2018/19         |                  | 2015/16 - 2018/19            |
| <b>Revenue</b>                                       |               |                 |               |                 |               |                 |                 |                  |                              |
| <b>Non-tax revenue</b>                               | <b>10 414</b> | <b>2 553</b>    | <b>7 960</b>  | <b>3 941</b>    | –             | <b>4 813</b>    | –               | <b>30 448</b>    | <b>227.3%</b>                |
| Sale of goods and services other than capital assets | –             | 178             | –             | 2 078           | –             | 2 238           | –               | –                | –                            |
| <i>of which:</i>                                     |               |                 |               |                 |               |                 |                 |                  |                              |
| Administrative fees                                  | –             | 178             | –             | 2 078           | –             | 2 238           | –               | –                | –                            |
| Other non-tax revenue                                | 10 414        | 2 375           | 7 960         | 1 863           | –             | 2 575           | –               | 30 448           | 202.8%                       |
| <b>Transfers received</b>                            | <b>61 848</b> | <b>62 204</b>   | <b>83 808</b> | <b>83 736</b>   | <b>95 320</b> | <b>95 320</b>   | <b>114 080</b>  | <b>114 080</b>   | <b>100.1%</b>                |
| <b>Total revenue</b>                                 | <b>72 262</b> | <b>64 757</b>   | <b>91 768</b> | <b>87 677</b>   | <b>95 320</b> | <b>100 133</b>  | <b>114 080</b>  | <b>144 528</b>   | <b>106.3%</b>                |
| <b>Expenses</b>                                      |               |                 |               |                 |               |                 |                 |                  |                              |
| <b>Current expenses</b>                              | <b>69 863</b> | <b>74 160</b>   | <b>88 145</b> | <b>76 527</b>   | <b>95 320</b> | <b>74 307</b>   | <b>114 080</b>  | <b>144 528</b>   | <b>100.6%</b>                |
| Compensation of employees                            | 37 219        | 38 440          | 44 640        | 43 019          | 52 691        | 42 140          | 63 148          | 63 148           | 94.5%                        |
| Goods and services                                   | 32 644        | 35 720          | 43 505        | 33 508          | 42 629        | 32 167          | 50 932          | 81 380           | 107.7%                       |
| <b>Total expenses</b>                                | <b>69 863</b> | <b>74 160</b>   | <b>88 145</b> | <b>76 527</b>   | <b>95 320</b> | <b>74 307</b>   | <b>114 080</b>  | <b>144 528</b>   | <b>100.6%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>2 399</b>  | <b>(9 403)</b>  | <b>3 623</b>  | <b>11 150</b>   | –             | <b>25 826</b>   | –               | –                |                              |
| <b>Statement of financial position</b>               |               |                 |               |                 |               |                 |                 |                  |                              |
| Carrying value of assets                             | 7 161         | 6 371           | 6 685         | 7 829           | 5 781         | 7 408           | 5 500           | 14 154           | 142.3%                       |
| <i>of which:</i>                                     |               |                 |               |                 |               |                 |                 |                  |                              |
| Acquisition of assets                                | (3 050)       | (724)           | (3 960)       | (3 577)         | (4 090)       | (2 393)         | (4 610)         | (6 746)          | 85.6%                        |
| Receivables and prepayments                          | 550           | 271             | 355           | 717             | 465           | 853             | 609             | 609              | 123.8%                       |
| Cash and cash equivalents                            | 15 000        | 7 960           | 8 756         | 13 330          | 13 838        | 43 938          | 12 909          | 54 668           | 237.4%                       |
| <b>Total assets</b>                                  | <b>22 711</b> | <b>14 602</b>   | <b>15 796</b> | <b>21 876</b>   | <b>20 085</b> | <b>52 199</b>   | <b>19 018</b>   | <b>69 431</b>    | <b>203.7%</b>                |
| Accumulated surplus/(deficit)                        | 18 006        | 5 116           | 5 654         | 16 266          | 10 014        | 42 093          | 7 909           | 58 322           | 292.9%                       |
| Trade and other payables                             | 1 500         | 5 294           | 5 612         | 1 645           | 6 187         | 6 781           | 6 821           | 6 821            | 102.1%                       |
| Provisions   | 2 241         | 2 844           | 3 003         | 2 960           | 3 364         | 2 832           | 3 767           | 3 767            | 100.2%                       |
| Derivatives financial instruments                    | 964           | 1 348           | 1 500         | 1 005           | 521           | 493             | 521             | 521              | 96.0%                        |
| <b>Total equity and liabilities</b>                  | <b>22 711</b> | <b>14 602</b>   | <b>15 769</b> | <b>21 876</b>   | <b>20 085</b> | <b>52 199</b>   | <b>19 018</b>   | <b>69 431</b>    | <b>203.8%</b>                |

## Statements of estimates of financial performance and position

**Table 15.44 Quality Council for Trades and Occupations 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                       |                | 2015/16 - 2018/19       |                                | 2019/20              | 2020/21        | 2021/22        | 2018/19 - 2021/22       |                                |
| R thousand                             |                | 2018/19                 | 2015/16 - 2018/19              | 2019/20              | 2020/21        | 2021/22        | 2018/19 - 2021/22       |                                |
| <b>Revenue</b>                         |                |                         |                                |                      |                |                |                         |                                |
| Non-tax revenue                        | 30 448         | 128.5%                  | 8.6%                           | –                    | –              | –              | -100.0%                 | 5.3%                           |
| Other non-tax revenue                  | 30 448         | 134.0%                  | 7.4%                           | –                    | –              | –              | -100.0%                 | 5.3%                           |
| <b>Transfers received</b>              | <b>114 080</b> | <b>22.4%</b>            | <b>91.4%</b>                   | <b>116 404</b>       | <b>135 853</b> | <b>159 044</b> | <b>11.7%</b>            | <b>94.7%</b>                   |
| <b>Total revenue</b>                   | <b>144 528</b> | <b>30.7%</b>            | <b>100.0%</b>                  | <b>116 404</b>       | <b>135 853</b> | <b>159 044</b> | <b>3.2%</b>             | <b>100.0%</b>                  |
| <b>Expenses</b>                        |                |                         |                                |                      |                |                |                         |                                |
| Current expenses                       | 144 528        | 24.9%                   | 100.0%                         | 116 404              | 135 853        | 159 044        | 3.2%                    | 100.0%                         |
| Compensation of employees              | 63 148         | 18.0%                   | 52.1%                          | 63 130               | 73 519         | 86 374         | 11.0%                   | 51.6%                          |
| Goods and services                     | 81 380         | 31.6%                   | 47.9%                          | 53 274               | 62 334         | 72 670         | -3.7%                   | 48.4%                          |
| <b>Total expenses</b>                  | <b>144 528</b> | <b>24.9%</b>            | <b>100.0%</b>                  | <b>116 404</b>       | <b>135 853</b> | <b>159 044</b> | <b>3.2%</b>             | <b>100.0%</b>                  |
| Surplus/(Deficit)                      | –              |                         |                                | –                    | –              | –              |                         |                                |
| <b>Statement of financial position</b> |                |                         |                                |                      |                |                |                         |                                |
| Carrying value of assets               | 14 154         | 30.5%                   | 28.5%                          | 23 791               | 35 067         | 48 372         | 50.6%                   | 29.5%                          |
| <i>of which:</i>                       |                |                         |                                |                      |                |                |                         |                                |
| Acquisition of assets                  | (6 746)        | 110.4%                  | -8.9%                          | (9 637)              | (11 276)       | (13 305)       | 25.4%                   | -10.3%                         |
| Receivables and prepayments            | 609            | 31.0%                   | 1.9%                           | 1 270                | 2 000          | 2 110          | 51.3%                   | 1.5%                           |
| Cash and cash equivalents              | 54 668         | 90.1%                   | 69.6%                          | 70 167               | 71 616         | 69 670         | 8.4%                    | 69.1%                          |
| <b>Total assets</b>                    | <b>69 431</b>  | <b>68.2%</b>            | <b>100.0%</b>                  | <b>95 228</b>        | <b>108 683</b> | <b>120 152</b> | <b>20.1%</b>            | <b>100.0%</b>                  |
| Accumulated surplus/(deficit)          | 58 322         | 125.1%                  | 68.5%                          | 83 529               | 101 633        | 120 152        | 27.2%                   | 91.3%                          |
| Trade and other payables               | 6 821          | 8.8%                    | 16.6%                          | 7 162                | 2 000          | –              | -100.0%                 | 4.8%                           |
| Provisions                             | 3 767          | 9.8%                    | 11.0%                          | 3 987                | 4 300          | –              | -100.0%                 | 3.4%                           |
| Derivatives financial instruments      | 521            | -27.2%                  | 3.9%                           | 550                  | 750            | –              | -100.0%                 | 0.5%                           |
| <b>Total equity and liabilities</b>    | <b>69 431</b>  | <b>68.2%</b>            | <b>100.0%</b>                  | <b>95 228</b>        | <b>108 683</b> | <b>120 152</b> | <b>20.1%</b>            | <b>100.0%</b>                  |

## Personnel information

**Table 15.45 Quality Council for Trades and Occupations personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2019 |   | 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 (%) |                   |     |       |        |
|   |   | 2017/18  |      | Unit cost | 2018/19          |      | Unit cost | 2019/20                          |      | 2020/21   |        | 2021/22 |           |                         |                                | 2018/19 - 2021/22 |     |       |        |
| Quality Council for Trades and Occupations  |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost | Number                  | Cost                           | Unit cost         |     |       |        |
| Salary level                                | 109                                       | 109  | 84   | 42.1      | 0.5              | 109  | 63.1      | 0.6                              | 106  | 63.1      | 0.6    | 123     | 73.5      | 0.6                     | 140                            | 86.4              | 0.6 | 11.0% | 100.0% |
| 1 – 6                                       | 6   | 6  | 5    | 0.6       | 0.1              | 6    | 0.8       | 0.1                              | 5    | 0.8       | 0.2    | 7       | 1.3       | 0.2                     | 9                              | 1.7               | 0.2 | 29.9% | 5.6%   |
| 7 – 10                                      | 40  | 40   | 30   | 8.8       | 0.3              | 40   | 12.9      | 0.3                              | 45   | 15.9      | 0.4    | 61      | 22.3      | 0.4                     | 69                             | 25.8              | 0.4 | 26.1% | 44.5%  |
| 11 – 12                                     | 53  | 53   | 40   | 22.3      | 0.6              | 53   | 37.3      | 0.7                              | 45   | 33.8      | 0.8    | 44      | 35.2      | 0.8                     | 50                             | 42.0              | 0.8 | 4.0%  | 40.6%  |
| 13 – 16                                     | 10  | 10   | 9    | 10.4      | 1.2              | 10   | 12.2      | 1.2                              | 11   | 12.6      | 1.1    | 11      | 14.7      | 1.3                     | 12                             | 17.0              | 1.4 | 11.6% | 9.3%   |

1. Rand million.

## South African Qualifications Authority

### Mandate

The South African Qualifications Authority is a statutory body established in terms of the National Qualifications Framework Act (2008). Its mandate and goals are set out in section 13 of the act, which states that the authority must advance the objectives of the national qualifications framework, as contemplated in chapter 2 of the act; coordinate the sub-frameworks; and oversee the further development and implementation of the national qualifications framework.

**Selected performance indicators****Table 15.46 South African Qualifications Authority performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity                            | MTSF outcome   | Past             |                  |                  | Current | Projections |         |         |
|--|---|--|------------------|------------------|------------------|---------|-------------|---------|---------|
|  |   |  | 2015/16          | 2016/17          | 2017/18          | 2018/19 | 2019/20     | 2020/21 | 2021/22 |
| Percentage of new qualifications and part qualifications received per year that are recorded and registered on the national qualifications framework | Registration and recognition                            |  | 100%<br>(216)    | 100%<br>(361)    | 100%<br>(385)    | 100%    | 100%        | 100%    | 100%    |
| Percentage of professional bodies' applications received and recognised per year on the national qualifications framework                            | Registration and recognition                            | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 100%<br>(13)     | 100%<br>(8)      | 100%<br>(13)     | 100%    | 100%        | 100%    | 100%    |
| Percentage of applications received and completed for verifications of qualifications per year   | National learners' records database                     |  | 100%<br>(72 543) | 100%<br>(81 833) | 100%<br>(79 931) | 100%    | 100%        | 100%    | 100%    |
| Percentage of applications received and processed for foreign evaluation and advisory services per year  | Foreign qualifications evaluation and advisory services |  | 100%<br>(24 942) | 100%<br>(25 395) | 100%<br>(25 216) | 100%    | 100%        | 100%    | 100%    |

**Expenditure analysis**

Over the medium term, the South African Qualifications Authority will continue to focus on the issue of articulation between TVET colleges and higher education institutions, genuine qualifications, advocacy and simplification of the National Qualifications Framework Act (2008). Recognition of prior learning remains an important tool in facilitating access to education, training and work opportunities, and is therefore an integral part of the authority's mandate.

Cabinet has approved a freeze on salary increases over the medium term for senior management staff earning more than R1.5 million per year and a 2.8 per cent increase for senior managers earning between R1 million and R1.49 million per year. However, given that the authority is services-orientated, compensation of employees continues to be its largest cost driver, spending on which accounts for 66 per cent (R301.7 million) of its total budget over the period.

Transfers from the department account for 50 per cent of the authority's total revenue over the medium term. These transfers increase at an average annual rate of 5.3 per cent, from R66.7 million in 2018/19 to R77.8 million in 2021/22. The bulk of the remaining revenue is derived from fees for foreign and local qualification evaluation and verification, which is expected to increase at an average annual rate of 2.6 per cent, from R63 million in 2018/19 to R68.1 million in 2021/22. The authority's total revenue is expected to increase at an average annual rate of 3.7 per cent, from R135.4 million in 2018/19 to R150.9 million in 2021/22.

**Programmes/Objectives/Activities****Table 15.47 South African Qualifications Authority expenditure trends and estimates by programme/objective/activity**

|   | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/Total (%) |
|---|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|   | 2015/16         | 2016/17        | 2017/18        |                  |                         |                                | 2018/19                          | 2019/20        | 2020/21        |                         |                                |
| R thousand  |                 |                |                |                  |                         |                                |                                  |                |                |                         |                                |
| Administration  | 49 271          | 53 601         | 54 581         | 72 151           | 13.6%                   | 50.1%                          | 76 541                           | 76 914         | 77 673         | 2.5%                    | 51.4%                          |
| Registration and recognition                            | 7 625           | 8 504          | 9 248          | 10 031           | 9.6%                    | 7.8%                           | 10 301                           | 11 031         | 11 681         | 5.2%                    | 7.3%                           |
| National learners' records database                     | 11 974          | 13 836         | 14 724         | 18 148           | 14.9%                   | 12.8%                          | 18 762                           | 19 479         | 20 493         | 4.1%                    | 13.0%                          |
| Foreign qualifications evaluation and advisory services | 23 825          | 26 032         | 28 444         | 29 712           | 7.6%                    | 23.8%                          | 31 824                           | 32 913         | 34 564         | 5.2%                    | 21.8%                          |
| Research  | 3 034           | 4 152          | 4 194          | 6 102            | 26.2%                   | 3.8%                           | 5 813                            | 6 670          | 7 093          | 5.1%                    | 4.3%                           |
| International liaison                                   | 2 272           | 1 914          | 1 511          | 2 575            | 4.3%                    | 1.8%                           | 3 115                            | 3 325          | 3 307          | 8.7%                    | 2.1%                           |
| <b>Total</b>  | <b>98 001</b>   | <b>108 039</b> | <b>112 702</b> | <b>138 719</b>   | <b>12.3%</b>            | <b>100.0%</b>                  | <b>146 356</b>                   | <b>150 332</b> | <b>154 811</b> | <b>3.7%</b>             | <b>100.0%</b>                  |

**Statements of historical financial performance and position****Table 15.48 South African Qualifications Authority statements of historical financial performance and position**

| Statement of financial performance                   |                |                 |                |                 |                |                 |                 |                  |                             |
|--|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|-----------------------------|
|  | Budget         | Audited outcome | Budget         | Audited outcome | Budget         | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| R thousand   | 2015/16        |                 | 2016/17        |                 | 2017/18        |                 | 2018/19         |                  | 2015/16 - 2018/19           |
| <b>Revenue</b>                                       |                |                 |                |                 |                |                 |                 |                  |                             |
| <b>Non-tax revenue</b>                               | <b>47 550</b>  | <b>37 100</b>   | <b>55 890</b>  | <b>39 801</b>   | <b>53 800</b>  | <b>55 564</b>   | <b>68 650</b>   | <b>68 696</b>    | <b>89.1%</b>                |
| Sale of goods and services other than capital assets | 35 500         | 30 337          | 42 000         | 32 447          | 42 500         | 47 345          | 63 000          | 63 000           | 94.6%                       |
| <i>of which:</i>                                     |                |                 |                |                 |                |                 |                 |                  |                             |
| Administrative fees                                  | 35 500         | 30 337          | 42 000         | 32 447          | 42 500         | 47 345          | 63 000          | 63 000           | 94.6%                       |
| Other non-tax revenue                                | 12 050         | 6 763           | 13 890         | 7 354           | 11 300         | 8 219           | 5 650           | 5 696            | 65.4%                       |
| <b>Transfers received</b>                            | <b>54 757</b>  | <b>54 757</b>   | <b>56 895</b>  | <b>56 895</b>   | <b>64 940</b>  | <b>64 940</b>   | <b>66 719</b>   | <b>66 719</b>    | <b>100.0%</b>               |
| <b>Total revenue</b>                                 | <b>102 307</b> | <b>91 857</b>   | <b>112 785</b> | <b>96 696</b>   | <b>118 740</b> | <b>120 504</b>  | <b>135 369</b>  | <b>135 415</b>   | <b>94.7%</b>                |
| <b>Expenses</b>                                      |                |                 |                |                 |                |                 |                 |                  |                             |
| <b>Current expenses</b>                              | <b>107 336</b> | <b>98 001</b>   | <b>115 723</b> | <b>108 039</b>  | <b>121 860</b> | <b>111 797</b>  | <b>138 673</b>  | <b>137 853</b>   | <b>94.2%</b>                |
| Compensation of employees                            | 69 835         | 65 376          | 77 317         | 73 740          | 84 465         | 79 321          | 90 054          | 88 286           | 95.4%                       |
| Goods and services                                   | 32 472         | 29 693          | 35 468         | 31 435          | 34 275         | 30 053          | 45 315          | 46 263           | 93.2%                       |
| Depreciation   | 5 029          | 2 932           | 2 938          | 2 864           | 3 120          | 2 423           | 3 304           | 3 304            | 80.1%                       |
| <b>Transfers and subsidies</b>                       | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>905</b>      | <b>-</b>        | <b>866</b>       | <b>-</b>                    |
| <b>Total expenses</b>                                | <b>107 336</b> | <b>98 001</b>   | <b>115 723</b> | <b>108 039</b>  | <b>121 860</b> | <b>112 702</b>  | <b>138 673</b>  | <b>138 719</b>   | <b>94.6%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>(5 029)</b> | <b>(6 144)</b>  | <b>(2 938)</b> | <b>(11 343)</b> | <b>(3 120)</b> | <b>7 802</b>    | <b>(3 304)</b>  | <b>(3 304)</b>   |                             |
| <b>Statement of financial position</b>               |                |                 |                |                 |                |                 |                 |                  |                             |
| Carrying value of assets                             | 24 155         | 23 996          | 25 828         | 24 024          | 26 643         | 24 201          | 28 161          | 28 161           | 95.8%                       |
| <i>of which:</i>                                     |                |                 |                |                 |                |                 |                 |                  |                             |
| Acquisition of assets                                | (1 850)        | (3 702)         | (2 676)        | (3 416)         | (2 405)        | (2 633)         | (6 174)         | (6 745)          | 125.9%                      |
| Investments  | -              | -               | -              | -               | -              | 5               | -               | -                | -                           |
| Inventory  | 214            | 596             | 250            | 528             | 236            | 492             | 250             | 250              | 196.5%                      |
| Receivables and prepayments                          | 3 919          | 6 547           | 4 250          | 6 212           | 4 300          | 7 306           | 4 545           | 4 545            | 144.6%                      |
| Cash and cash equivalents                            | 22 000         | 25 141          | 25 000         | 21 767          | 25 000         | 22 298          | 26 425          | 23 277           | 94.0%                       |
| <b>Total assets</b>                                  | <b>50 288</b>  | <b>56 280</b>   | <b>55 328</b>  | <b>52 531</b>   | <b>56 179</b>  | <b>54 302</b>   | <b>59 381</b>   | <b>56 233</b>    | <b>99.2%</b>                |
| Accumulated surplus/(deficit)                        | 38 048         | 31 643          | 30 100         | 20 300          | 31 966         | 28 102          | 33 788          | 30 640           | 82.7%                       |
| Deferred income                                      | 3 000          | 15 086          | 15 500         | 22 358          | 14 000         | 13 931          | 14 798          | 14 798           | 139.9%                      |
| Trade and other payables                             | 9 219          | 8 628           | 9 708          | 8 654           | 10 193         | 9 602           | 10 774          | 10 774           | 94.4%                       |
| Taxation   | 21             | 24              | 20             | 15              | 20             | 25              | 21              | 21               | 104.1%                      |
| Provisions   | -              | 899             | -              | 1 204           | -              | 2 642           | -               | -                | -                           |
| <b>Total equity and liabilities</b>                  | <b>50 288</b>  | <b>56 280</b>   | <b>55 328</b>  | <b>52 531</b>   | <b>56 179</b>  | <b>54 302</b>   | <b>59 381</b>   | <b>56 233</b>    | <b>99.2%</b>                |

**Statements of estimates of financial performance and position****Table 15.49 South African Qualifications Authority statements of estimates of financial performance and position**

| Statement of financial performance                   |                  |                         |                                |                      |                |                |                         |                                |  |
|--|------------------|-------------------------|--------------------------------|----------------------|----------------|----------------|-------------------------|--------------------------------|--|
|  | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate |                |                | Average growth rate (%) | Average: Expenditure/Total (%) |  |
| R thousand   | 2018/19          | 2015/16 - 2018/19       |                                | 2019/20              | 2020/21        | 2021/22        | 2018/19 - 2021/22       |                                |  |
| <b>Revenue</b>                                       |                  |                         |                                |                      |                |                |                         |                                |  |
| <b>Non-tax revenue</b>                               | <b>68 696</b>    | <b>22.8%</b>            | <b>44.6%</b>                   | <b>72 974</b>        | <b>72 912</b>  | <b>73 135</b>  | <b>2.1%</b>             | <b>50.0%</b>                   |  |
| Sale of goods and services other than capital assets | 63 000           | 27.6%                   | 38.1%                          | 68 142               | 68 142         | 68 142         | 2.6%                    | 46.5%                          |  |
| <i>of which:</i>                                     |                  |                         |                                |                      |                |                |                         |                                |  |
| Administrative fees                                  | 63 000           | 27.6%                   | 38.1%                          | 68 142               | 68 142         | 68 142         | 2.6%                    | 46.5%                          |  |
| Other non-tax revenue                                | 5 696            | -5.6%                   | 6.5%                           | 4 832                | 4 770          | 4 993          | -4.3%                   | 3.5%                           |  |
| <b>Transfers received</b>                            | <b>66 719</b>    | <b>6.8%</b>             | <b>55.4%</b>                   | <b>69 893</b>        | <b>73 737</b>  | <b>77 793</b>  | <b>5.3%</b>             | <b>50.0%</b>                   |  |
| <b>Total revenue</b>                                 | <b>135 415</b>   | <b>13.8%</b>            | <b>100.0%</b>                  | <b>142 867</b>       | <b>146 649</b> | <b>150 928</b> | <b>3.7%</b>             | <b>100.0%</b>                  |  |
| <b>Expenses</b>                                      |                  |                         |                                |                      |                |                |                         |                                |  |
| <b>Current expenses</b>                              | <b>137 853</b>   | <b>12.0%</b>            | <b>99.6%</b>                   | <b>145 444</b>       | <b>149 368</b> | <b>153 711</b> | <b>3.7%</b>             | <b>99.4%</b>                   |  |
| Compensation of employees                            | 88 286           | 10.5%                   | 67.2%                          | 94 852               | 100 717        | 106 155        | 6.3%                    | 66.0%                          |  |
| Goods and services                                   | 46 263           | 15.9%                   | 29.9%                          | 47 103               | 44 970         | 43 673         | -1.9%                   | 30.9%                          |  |
| Depreciation   | 3 304            | 4.1%                    | 2.5%                           | 3 489                | 3 681          | 3 883          | 5.5%                    | 2.4%                           |  |
| <b>Transfers and subsidies</b>                       | <b>866</b>       | <b>-</b>                | <b>0.4%</b>                    | <b>912</b>           | <b>963</b>     | <b>1 100</b>   | <b>8.3%</b>             | <b>0.6%</b>                    |  |
| <b>Total expenses</b>                                | <b>138 719</b>   | <b>12.3%</b>            | <b>100.0%</b>                  | <b>146 356</b>       | <b>150 331</b> | <b>154 811</b> | <b>3.7%</b>             | <b>100.0%</b>                  |  |
| <b>Surplus/(Deficit)</b>                             | <b>(3 304)</b>   |                         |                                | <b>(3 489)</b>       | <b>(3 681)</b> | <b>(3 883)</b> |                         |                                |  |
| <b>Statement of financial position</b>               |                  |                         |                                |                      |                |                |                         |                                |  |
| Carrying value of assets                             | 28 161           | 5.5%                    | 45.8%                          | 29 738               | 31 374         | 33 098         | 5.5%                    | 53.3%                          |  |
| <i>of which:</i>                                     |                  |                         |                                |                      |                |                |                         |                                |  |
| Acquisition of assets                                | (6 745)          | 22.1%                   | -7.5%                          | (3 879)              | (3 670)        | (3 851)        | -17.0%                  | -7.9%                          |  |
| Inventory  | 250              | -25.1%                  | 0.9%                           | 264                  | 279            | 294            | 5.6%                    | 0.5%                           |  |
| Receivables and prepayments                          | 4 545            | -11.5%                  | 11.2%                          | 4 800                | 5 064          | 5 342          | 5.5%                    | 8.6%                           |  |
| Cash and cash equivalents                            | 23 277           | -2.5%                   | 42.1%                          | 22 277               | 20 177         | 20 677         | -3.9%                   | 37.7%                          |  |
| <b>Total assets</b>                                  | <b>56 233</b>    | <b>-0.0%</b>            | <b>100.0%</b>                  | <b>57 079</b>        | <b>56 894</b>  | <b>59 411</b>  | <b>1.8%</b>             | <b>100.0%</b>                  |  |
| Accumulated surplus/(deficit)                        | 30 640           | -1.1%                   | 50.3%                          | 30 053               | 30 645         | 32 215         | 1.7%                    | 53.8%                          |  |
| Deferred income                                      | 14 798           | -0.6%                   | 30.3%                          | 15 627               | 14 223         | 14 510         | -0.7%                   | 25.8%                          |  |
| Trade and other payables                             | 10 774           | 7.7%                    | 17.2%                          | 11 377               | 12 003         | 12 662         | 5.5%                    | 20.4%                          |  |
| Taxation   | 21               | -4.4%                   | 0.0%                           | 22                   | 23             | 24             | 4.6%                    | 0.0%                           |  |
| <b>Total equity and liabilities</b>                  | <b>56 233</b>    | <b>-0.0%</b>            | <b>100.0%</b>                  | <b>57 079</b>        | <b>56 894</b>  | <b>59 411</b>  | <b>1.8%</b>             | <b>100.0%</b>                  |  |

## Personnel information

Table 15.50 South African Qualifications Authority personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2019 |   | 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 (%) |                   |     |      |        |
|   |   | 2017/18  |      |           | 2018/19          |      |           | 2019/20                          |      | 2020/21   |        | 2021/22 |           |                         |                                 | 2018/19 - 2021/22 |     |      |        |
| South African Qualifications Authority      |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost | Number                  | Cost                            | Unit cost         |     |      |        |
| Salary level                                | 186                                       | 186  | 180  | 79.3      | 0.4              | 186  | 88.3      | 0.5                              | 193  | 94.9      | 0.5    | 193     | 100.7     | 0.5                     | 193                             | 106.2             | 0.6 | 6.3% | 100.0% |
| 7 – 10                                      | 154                                       | 154  | 148  | 51.6      | 0.3              | 154  | 57.4      | 0.4                              | 160  | 62.8      | 0.4    | 160     | 66.9      | 0.4                     | 160                             | 70.5              | 0.4 | 7.1% | 82.9%  |
| 11 – 12                                     | 19  | 19   | 17   | 12.7      | 0.7              | 19   | 14.8      | 0.8                              | 20   | 15.6      | 0.8    | 20      | 16.5      | 0.8                     | 20                              | 17.4              | 0.9 | 5.5% | 10.3%  |
| 13 – 16                                     | 13  | 13   | 15   | 15.0      | 1.0              | 13   | 16.0      | 1.2                              | 13   | 16.4      | 1.3    | 13      | 17.3      | 1.3                     | 13                              | 18.3              | 1.4 | 4.4% | 6.8%   |

1. Rand million.

## Additional tables

**Table 15.A Summary of expenditure on infrastructure**

| Project name   | Service delivery outputs  | Current project stage | Total project cost | Audited outcome  |                  |                  | Adjusted appropriation | Medium-term expenditure estimate |                  |                  |
|--|---|-----------------------|--------------------|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
|  |   |                       |                    | 2015/16          | 2016/17          | 2017/18          | 2018/19                | 2019/20                          | 2020/21          | 2021/22          |
| R thousand   |   |                       |                    |                  |                  |                  |                        |                                  |                  |                  |
| <b>Departmental infrastructure</b>   |   |                       |                    |                  |                  |                  |                        |                                  |                  |                  |
| <b>Small projects (total project cost of less than R250 million over the project life cycle)</b> |   |                       |                    |                  |                  |                  |                        |                                  |                  |                  |
| Community Education and Training   | Mobile classrooms for community education and training learners | Completed             | 1 400              | –                | –                | –                | 1 400                  | –                                | –                | –                |
| <b>Infrastructure transfers to other spheres, agencies and departments</b>                       |   |                       |                    |                  |                  |                  |                        |                                  |                  |                  |
| <b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>     |   |                       |                    |                  |                  |                  |                        |                                  |                  |                  |
| Tertiary institutions infrastructure   | Construction of hostels, lecture halls and laboratories         | Various               | 35 184 642         | 1 981 200        | 2 343 749        | 2 541 903        | 2 688 063              | 2 838 594                        | 2 994 717        | 3 141 476        |
| New universities in Mpumalanga and Northern Cape   | Construction of hostels, lecture halls and laboratories         | Various               | 12 917 140         | 1 320 000        | –                | –                | –                      | –                                | –                | –                |
| University of Mpumalanga   | Construction of hostels, lecture halls and laboratories         | Various               | 7 442 599          | –                | 673 920          | 624 552          | 638 508                | 665 948                          | 700 570          | 739 101          |
| Sol Plaatje University   | Construction of hostels, lecture halls and laboratories         | Various               | 4 154 574          | –                | 379 080          | 353 930          | 362 034                | 378 417                          | 401 235          | 423 303          |
| Nelson Mandela University  | Student housing infrastructure programme                        | Design                | 67 000             | –                | –                | –                | 33 500                 | 33 500                           | –                | –                |
| Sefako Makgatho Health Sciences University   | Student housing infrastructure programme                        | Design                | 62 450             | –                | –                | –                | 31 250                 | 31 200                           | –                | –                |
| Vaal University of Technology  | Student housing infrastructure programme                        | Design                | 78 980             | –                | –                | –                | 38 680                 | 40 300                           | –                | –                |
| <b>Total</b>   |   |                       | <b>59 908 785</b>  | <b>3 301 200</b> | <b>3 396 749</b> | <b>3 520 385</b> | <b>3 793 435</b>       | <b>3 987 959</b>                 | <b>4 096 522</b> | <b>4 303 880</b> |

**Table 15.B Summary of donor funding**

| Donor                  | Project   | Programme                     | Period of commitment | Amount committed | Main economic classification       | Spending focus  | Audited outcome |         |         | Estimate | Medium-term expenditure estimate |         |         |
|------------------------|---|-------------------------------|----------------------|------------------|------------------------------------|---|-----------------|---------|---------|----------|----------------------------------|---------|---------|
|                        |   |                               |                      |                  |                                    |   | 2015/16         | 2016/17 | 2017/18 | 2018/19  | 2019/20                          | 2020/21 | 2021/22 |
| R thousand             |   |                               |                      |                  |                                    |   |                 |         |         |          |                                  |         |         |
| <b>Foreign In cash</b> |   |                               |                      |                  |                                    |   |                 |         |         |          |                                  |         |         |
| European Union         | Primary education sector policy support programme: Teacher education for foundation phase | University Education          | 2010/11 – 2019/20    | 141 000          | Goods and services                 | Ensure the number of public higher education institutions involved in initial teacher education for teaching in the foundation phase and the number of students enrolled in initial teacher education programmes specialising in the foundation phase increases | 20 464          | 17 936  | –       | –        | –                                | –       | –       |
| European Union         | General budget support for career guidance services                                       | Planning, Policy and Strategy | 2013/14 – 2014/15    | 60 000           | Departmental agencies and accounts | Provide career guidance services  | 41 040          | 57 665  | 23 183  | –        | –                                | –       | –       |

**Table 15.B Summary of donor funding**

| Donor  | Project  | Programme                                       | Period of commitment | Amount committed | Main economic classification       | Spending focus  | Audited outcome |         |         | Estimate | Medium-term expenditure estimate |         |         |
|--|--|---|----------------------|------------------|------------------------------------|---|-----------------|---------|---------|----------|----------------------------------|---------|---------|
|  |  |   |                      |                  |                                    |   | 2015/16         | 2016/17 | 2017/18 | 2018/19  | 2019/20                          | 2020/21 | 2021/22 |
| R thousand   |  |   |                      |                  |                                    |   |                 |         |         |          |                                  |         |         |
| <b>Foreign In cash</b>                                 |  |   |                      |                  |                                    |   |                 |         |         |          |                                  |         |         |
| United States Agency for International Development     | Trilateral cooperation project: Rebuilding constitutionalism in post-conflict societies through comparative analysis | Planning, Policy and Strategy                   | 2012/13 – 2016/17    | 1 746            | Goods and services                 | Ensure the registration of PhD candidates from selected countries at the University of Pretoria's faculty of law; ensure that they have access to teaching, research and publishing opportunities, and thesis supervision | –               | 3 110   | 1 665   | –        | –                                | –       | –       |
| Netherlands Organisation for International Cooperation | Strengthening the national certificate (vocational) in line with labour market needs                                 | Technical and Vocational Education and Training | 2012/13 – 2015/16    | 21 906           | Goods and services                 | Provide revised subjects curriculum, improved student support services, lecturer development communities of practice, student support services communities of practice, and student work placement                        | 434             | –       | –       | –        | –                                | –       | –       |
| European Union   | Teaching and learning development sector reform contract   | University Education                            | 2015/16 – 2019/20    | 262 000          | Goods and services                 | Provide teacher development services including gender equity and transversal issues   | –               | 18 101  | 55 802  | –        | –                                | –       | –       |
| European Union   | General budget support for career development and national qualifications framework advice project                   | Planning, Policy and Strategy                   | 2013/14 – 2016/17    | 99 000           | Departmental agencies and accounts | Provide career guidance services  | 38 230          | 36 439  | –       | –        | –                                | –       | –       |
| European Union   | General budget support for open learning system for post-school education and training                               | Planning, Policy and Strategy                   | 2013/14 – 2016/17    | 51 860           | Departmental agencies and accounts | Provide career guidance services  | –               | 896     | –       | –        | –                                | –       | –       |
| African Development Bank                               | Middle-income countries grant for education and sustainable development in Africa                                    | University Education                            | 2016/17 – 2018/19    | 4 239            | Goods and services                 | Contribute to the realisation of an environment for sustainable employment and inclusive economic growth  | –               | 1 807   | 1 337   | –        | –                                | –       | –       |
| European Union   | National Artisan Moderation Body Automated Artisan Trade Test System   | Skills Development                              | 2018/19 – 2020/21    | 48 530           | Goods and services                 | Monitor the performance of accredited artisan trade test centres, moderate artisan trade tests; and develop, maintain and apply a national data bank of instruments for assessment and moderation of artisan trade test   | –               | –       | –       | 27 120   | 17 780                           | 4 040   | –       |

Table 15.B Summary of donor funding

| Donor   | Project   | Programme                                       | Period of commitment | Amount committed | Main economic classification | Spending focus   | Audited outcome |                |               | Estimate      | Medium-term expenditure estimate |              |          |
|---|---|---|----------------------|------------------|------------------------------|--|-----------------|----------------|---------------|---------------|----------------------------------|--------------|----------|
|   |   |   |                      |                  |                              |  | 2015/16         | 2016/17        | 2017/18       | 2018/19       | 2019/20                          | 2020/21      | 2021/22  |
| R thousand  |   |   |                      |                  |                              |  |                 |                |               |               |                                  |              |          |
| <b>Foreign In kind</b>                                  |   |   |                      |                  |                              |  |                 |                |               |               |                                  |              |          |
| Germany   | Skills for green jobs   | Planning, Policy and Strategy                   | 2015/16 – 2016/17    | 96 798           | Goods and services           | Improve individual, institutional and social conditions for the supply of skilled personnel and adequate technologies for the development of a green economy   | –               | 48 399         | –             | –             | –                                | –            | –        |
| Denmark   | Support to education and skills development programme                 | Technical and Vocational Education and Training | 2010/11 – 2014/15    | 32 000           | Goods and services           | Provide support to the education and skills development programme in South Africa  | 27 800          | –              | –             | –             | –                                | –            | –        |
| Deutsche Gesellschaft für Internationale Zusammenarbeit | Employment and skills development services                            | Skills Development                              | 2006/07 – 2017/18    | 80 300           | Goods and services           | Build capacity in skills development policy and advising services across all levels (skills education and training authority, National Skills Authority, National Skills Fund and further education and training colleges) | –               | 23 000         | –             | –             | –                                | –            | –        |
| Netherlands   | Netherlands Universities Foundation for International Cooperation     | Technical and Vocational Education and Training | 2010/11 – 2016/17    | 27 432           | Goods and services           | Build capacity in higher education through a standardised business management system in 3 pilot further education and training colleges  | 592             | 10 250         | –             | –             | –                                | –            | –        |
| European Union  | Technical and vocational education and training for the green economy | Skills Development                              | 2013/14 – 2016/17    | 4 169            | Goods and services           | Provide a proposal for skills planning funding   | –               | 3 769          | –             | –             | –                                | –            | –        |
| Germany   | Technical and vocational education and training for the green economy | Technical and Vocational Education and Training | 2015/16 – 2017/18    | 70 143           | Goods and services           | Provide assistance to 4 public TVET colleges in the trial implementation of 2 newly developed occupational curricula: Electricians and plumbers  | –               | 17 535         | –             | –             | –                                | –            | –        |
| Japan   | Employability improvement project                                     | Planning, Policy and Strategy                   | 2012/13 – 2015/16    | 62 154           | Goods and services           | Training students in productivity, and innovation skills through the two-week employment improvement project   | –               | 32 753         | –             | –             | –                                | –            | –        |
| <b>Total</b>  |   |   |                      | <b>1 063 277</b> |                              |  | <b>128 560</b>  | <b>271 660</b> | <b>81 987</b> | <b>27 120</b> | <b>17 780</b>                    | <b>4 040</b> | <b>–</b> |

**Table 15.C Direct transfer and subsidy portion to community education and training colleges, 2019/20**

| Community education and training college | Hosting institution                                 | Direct subsidy allocation (R thousand) |
|--|---|--|
| Eastern Cape                             | Nelson Mandela Metropolitan University              | 9 758 000                              |
| Free State                               | Mangaung university community partnership programme | 7 603 000                              |
| Gauteng                                  | Diepkloof Adult Learning Centre                     | 48 750 000                             |
| KwaZulu-Natal                            | Durban University of Technology (Indumiso campus)   | 10 659 000                             |
| Limpopo                                  | PAX College   | 18 823 000                             |
| Mpumalanga                               | Nkangala TVET College                               | 17 935 000                             |
| Northern Cape                            | Northern Cape Rural TVET College                    | 2 658 000                              |
| North West                               | Mmakau adult basic education and training project   | 19 746 000                             |
| Western Cape                             | Elgin Learning Foundation                           | 12 860 000                             |
| <b>Total</b>                             |   | <b>148 792 000</b>                     |

**Table 15.D Direct transfer and subsidy portion for technical and vocational education and training colleges, 2019/20**

| Technical and Vocational Education and Training Colleges | TVET Programme subsidies | Operationalization of new TVET Campuses | Total 2019/20 Revised Subsidies |
|--|--------------------------|---|---------------------------------|
| <b>2019 ENE Allocations (R thousand)</b>                 |                          |   |                                 |
| Boland TVET College                                      | 47 489 919               | -                                       | 47 489 919                      |
| Buffalo City TVET College                                | 55 224 025               | -                                       | 55 224 025                      |
| Capricorn TVET College                                   | 74 426 262               | -                                       | 74 426 262                      |
| Central Johannesburg                                     | 59 984 316               | -                                       | 59 984 316                      |
| Coastal TVET College                                     | 123 366 105              | -                                       | 123 366 105                     |
| College of Cape Town TVET                                | 60 981 391               | -                                       | 60 981 391                      |
| East Cape Midlands TVET College                          | 61 778 052               | -                                       | 61 778 052                      |
| Ehlanzeni TVET College                                   | 108 193 951              | -                                       | 108 193 951                     |
| Ekurhuleni East TVET College                             | 67 884 706               | -                                       | 67 884 706                      |
| Ekurhuleni West TVET College                             | 101 787 054              | -                                       | 101 787 054                     |
| Elangeni TVET College                                    | 84 636 885               | -                                       | 84 636 885                      |
| Esayidi TVET College                                     | 69 059 674               | -                                       | 69 059 674                      |
| False Bay TVET College                                   | 49 237 138               | -                                       | 49 237 138                      |
| Flavius Mareka   | 19 776 505               | -                                       | 19 776 505                      |
| Gert Sibande TVET College                                | 115 481 450              | -                                       | 115 481 450                     |
| Goldfields TVET College                                  | 23 771 299               | -                                       | 23 771 299                      |
| Ikhala TVET College                                      | 34 540 023               | -                                       | 34 540 023                      |
| Ingwe TVET College                                       | 54 069 301               | -                                       | 54 069 301                      |
| King Hintsa TVET College                                 | 46 793 011               | -                                       | 46 793 011                      |
| King Sabata Dalindyebo TVET College                      | 59 793 982               | -                                       | 59 793 982                      |
| Lephalale TVET College                                   | 12 205 073               | -                                       | 12 205 073                      |
| Letaba TVET College                                      | 29 397 505               | -                                       | 29 397 505                      |
| Lovedale TVET College                                    | 37 784 696               | -                                       | 37 784 696                      |
| Majuba TVET College                                      | 166 108 564              | -                                       | 166 108 564                     |
| Maluti TVET College                                      | 37 470 929               | -                                       | 37 470 929                      |
| Mnambithi TVET College                                   | 51 364 136               | -                                       | 51 364 136                      |
| Mopani South East TVET College                           | 53 762 738               | -                                       | 53 762 738                      |
| Motheo TVET College                                      | 64 652 399               | -                                       | 64 652 399                      |
| Mthashana TVET College                                   | 38 944 512               | -                                       | 38 944 512                      |
| Nkangala TVET College                                    | 122 933 336              | -                                       | 122 933 336                     |
| Northern Cape Rural TVET College                         | 63 796 684               | -                                       | 63 796 684                      |
| Northern Cape Urban TVET College                         | 65 732 882               | -                                       | 65 732 882                      |
| NorthLink TVET College                                   | 80 894 063               | -                                       | 80 894 063                      |
| Orbit TVET College                                       | 154 194 615              | -                                       | 154 194 615                     |
| Port Elizabeth TVET College                              | 61 810 499               | -                                       | 61 810 499                      |
| Sedibeng TVET College                                    | 76 898 024               | -                                       | 76 898 024                      |
| Sekhukhune TVET College                                  | 28 492 558               | -                                       | 28 492 558                      |
| South Cape TVET College                                  | 38 507 043               | -                                       | 38 507 043                      |
| South West TVET College                                  | 105 773 361              | -                                       | 105 773 361                     |
| Taletso TVET College                                     | 73 820 651               | -                                       | 73 820 651                      |
| Thekwini TVET College                                    | 48 134 589               | -                                       | 48 134 589                      |
| Tshwane North TVET College                               | 79 342 550               | -                                       | 79 342 550                      |
| Tshwane South TVET College                               | 73 552 440               | -                                       | 73 552 440                      |
| Umfolozi TVET College                                    | 115 610 088              | 164 610 721                             | 280 220 809                     |
| Umgungundlovu TVET College                               | 41 126 075               | -                                       | 41 126 075                      |
| Vhembe TVET College                                      | 88 603 921               | -                                       | 88 603 921                      |
| Vuselela TVET College                                    | 71 830 000               | -                                       | 71 830 000                      |
| Waterberg TVET College                                   | 29 443 100               | 35 389 279                              | 64 832 379                      |
| West Coast TVET College                                  | 51 283 074               | -                                       | 51 283 074                      |
| Western TVET College                                     | 63 023 546               | -                                       | 63 023 546                      |
| Un-allocated   | 539 896 300              | -                                       | 539 896 300                     |
| <b>Sub total</b>   | <b>3 884 665 000</b>     | <b>200 000 000</b>                      | <b>4 084 665 000</b>            |
| Infrastructure efficiency grant                          | -                        | -                                       | 1 484 000 000                   |
| <b>Direct TVET Transfers</b>                             | -                        | -                                       | <b>5 568 665 000</b>            |

Table 15.E Summary of financial assistance to higher education institutions, 2019/20

|  | Development Funds                                   |  |                            |   |   |   |                              |  |  |                            |                              |                      |                   |
|--|---|--|----------------------------|---|---|---|------------------------------|--|--|----------------------------|------------------------------|----------------------|-------------------|
|  | Block grants excluding gap grant phased out (R'000) | Gap grant phased out in block grants (R'000) | Total Block Grants (R'000) | National Student Financial Aid Scheme (NSFAS) (R'000) | Buildings and other infrastructure funds and efficiency (R'000) | Interest and redemption of government loans (R'000) | Foundation Provision (R'000) | Academic clinical training grant (R'000) | Univerity Capacity Development (R'000) | Veterinary science (R'000) | New Universities (2) (R'000) | Other (3) (R'000)    | Total (R'000)     |
| Higher Education Institutions                          |   |  |                            |   |   |   |                              |  |  |                            |                              |                      |                   |
| Cape Peninsula University of Technology                | 1 326 430   | 37 261                                       | 1 363 691                  | -   | 113 000   | 575   | 41 438                       | 7 943                                    | 29 711                                 | -                          | -                            | -                    | 1 556 358         |
| University of Cape Town                                | 1 602 965   | 68 780                                       | 1 671 745                  | -   | 68 000  | -   | 14 290                       | 46 808                                   | 11 804                                 | -                          | -                            | -                    | 1 812 647         |
| Central University of Technology                       | 613 945   | 38 415                                       | 652 360                    | -   | 87 170  | -   | 4 336                        | 2 899                                    | 13 428                                 | -                          | -                            | -                    | 760 193           |
| Durban University of Technology                        | 1 101 845   | 99 386                                       | 1 201 231                  | -   | 100 000   | 1 050   | 8 843                        | 15 072                                   | 26 208                                 | -                          | -                            | -                    | 1 352 404         |
| University of Fort Hare                                | 722 332   | 49 282                                       | 771 614                    | -   | 71 888  | -   | 12 694                       | 6 979                                    | 15 432                                 | -                          | -                            | -                    | 878 607           |
| University of Free State                               | 1 283 812   | 87 638                                       | 1 371 450                  | -   | 109 280   | -   | 49 720                       | 31 421                                   | 27 792                                 | -                          | -                            | -                    | 1 589 663         |
| University of Johannesburg                             | 2 152 879   | 193 758                                      | 2 346 637                  | -   | 79 900  | 730   | 44 137                       | 8 885                                    | 50 988                                 | -                          | -                            | -                    | 2 531 277         |
| University of KwaZulu-Natal                            | 2 262 400   | 181 061                                      | 2 443 461                  | -   | 105 000   | -   | 18 892                       | 72 644                                   | 39 760                                 | -                          | -                            | -                    | 2 679 757         |
| University of Limpopo                                  | 906 565   | 61 676                                       | 968 241                    | -   | 106 421   | -   | 29 420                       | 10 109                                   | 24 667                                 | -                          | -                            | -                    | 1 138 858         |
| Mangosuthu University of Technology                    | 414 545   | 39 040                                       | 453 585                    | -   | 116 243   | -   | 7 690                        | 1 176                                    | 12 300                                 | -                          | -                            | -                    | 590 994           |
| Nelson Mandela University                              | 1 155 272   | 55 294                                       | 1 210 566                  | -   | 93 230  | 20  | 10 054                       | 11 254                                   | 25 301                                 | -                          | -                            | -                    | 1 350 425         |
| North West University                                  | 1 988 746   | 114 335                                      | 2 103 081                  | -   | 127 991   | -   | 23 432                       | 15 382                                   | 30 677                                 | 7 642                      | -                            | -                    | 2 308 205         |
| University of Pretoria                                 | 2 539 372   | 82 907                                       | 2 622 279                  | -   | 77 700  | -   | 20 179                       | 47 490                                   | 24 749                                 | 160 088 <sup>1</sup>       | -                            | -                    | 2 952 485         |
| Rhodes University                                      | 491 234   | 32 688                                       | 523 922                    | -   | 124 682   | -   | 1 690                        | 1 286                                    | 6 571                                  | -                          | -                            | -                    | 658 151           |
| Sefako Makgatho Health Sciences University             | 627 000 <sup>2</sup>                                | 9 616  | 636 616                    | -   | 81 200  | -   | 4 135                        | 43 725                                   | 15 500                                 | -                          | -                            | -                    | 781 176           |
| University of South Africa                             | 4 109 982   | 15 007                                       | 4 124 989                  | -   | 84 676  | -   | -                            | -  | 99 564                                 | 2 796                      | -                            | -                    | 4 312 025         |
| Stellenbosch University                                | 1 803 084   | 32 301                                       | 1 835 385                  | -   | 75 000  | -   | 6 802                        | 46 376                                   | 12 074                                 | -                          | -                            | -                    | 1 975 637         |
| Tshwane University of Technology                       | 2 171 362   | 190 270                                      | 2 361 632                  | -   | -   | 1 074   | 54 667                       | 8 084                                    | 56 617                                 | 4 474                      | -                            | -                    | 2 486 548         |
| Vaal University of Technology                          | 672 329   | 80 074                                       | 752 403                    | -   | 161 807   | 336   | -                            | 3 947                                    | 17 998                                 | -                          | -                            | -                    | 936 491           |
| University of Venda                                    | 731 072   | 33 831                                       | 764 903                    | -   | 94 211  | -   | 6 840                        | 5 505                                    | 18 185                                 | -                          | -                            | -                    | 889 644           |
| Walter Sisulu University                               | 894 358   | 61 999                                       | 956 357                    | -   | 100 000   | -   | 8 126                        | 19 000                                   | 40 058                                 | -                          | -                            | -                    | 1 123 541         |
| University of Western Cape                             | 1 006 527   | 48 360                                       | 1 054 887                  | -   | 106 259   | -   | 18 323                       | 34 080                                   | 20 577                                 | -                          | -                            | -                    | 1 234 126         |
| University of Witwatersrand                            | 1 959 358   | 123 578                                      | 2 082 936                  | -   | 109 936   | -   | 465                          | 81 828                                   | 22 511                                 | -                          | -                            | -                    | 2 297 676         |
| University of Zululand                                 | 554 222   | 47 315                                       | 601 537                    | -   | 100 000   | -   | 3 481                        | 8 829                                    | 21 289                                 | -                          | -                            | -                    | 735 136           |
| University of Mpumalanga and Northern Cape: Operations | -   | -  | -                          | -   | -   | -   | -                            | -  | -                                      | -                          | 680 125 <sup>3</sup>         | -                    | 680 125           |
| University of Mpumalanga and Northern Cape: Capital    | -   | -  | -                          | -   | -   | -   | -                            | -  | -                                      | -                          | 1 044 365 <sup>3</sup>       | -                    | 1 044 365         |
| National Student Financial Aid Scheme (NSFAS)          | -   | -  | -                          | 30 822 466  | -   | -   | -                            | -  | -                                      | -                          | -                            | -                    | 30 822 466        |
| Other  | 3 972 <sup>4</sup>                                  | 11 809 <sup>5</sup>                          | 15 781                     | -   | 650 000 <sup>6</sup>  | -   | -                            | 120 000 <sup>7</sup>                     | 334 159 <sup>8</sup>                   | -                          | -                            | 530 241 <sup>9</sup> | 1 650 181         |
| <b>Total</b>   | <b>33 095 608</b>                                   | <b>1 795 681</b>                             | <b>34 891 289</b>          | <b>30 822 466</b>                                     | <b>2 943 594</b>  | <b>3 785</b>  | <b>389 654</b>               | <b>650 722</b>                           | <b>997 920</b>                         | <b>175 000</b>             | <b>1 724 490</b>             | <b>530 241</b>       | <b>73 129 161</b> |

1. Includes an earmarked R200 million for Sefako Makgatho Health Sciences University

2. R680.125 million for the operational costs and R1 044.365 million for capital funds for the 2 new universities in Northern Cape and Mpumalanga.

3. R6.171 million for the African Institute for Mathematical Studies (AIMS), R15.731 million for Sector monitoring and evaluation and R508.339 million for the HDI development grant.

4. Includes the animal hospital at Onderstepoort.

5. R3.972 million for corrective measures imposed in the teaching input sub-block grant for under-enrolment larger than 2%, and re-allocated to Sol Plaatje University (SPU).

6. R73.091 million for the National Collaborative Programme, R8.549 million for Higher Education Leadership and Management Programme, and R252.519 million for New Generation of Academics Programme. Financial data are according to the state's financial year; not a university's academic year.

7. Dedicated to health science programmes at all universities which are not yet funded within this earmarked grant.

8. Unallocated funds are mainly reserved for contingencies across all 24 universities but a portion of the amount has been reserved to allocate to TUT and SMU subject to meeting Departmental requirements.

9. Gap grants for poor and missing middle students to be phased out at the 2 new universities (SPU and MPU)







# 2019 BUDGET

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

**Tel** +27 12 315 5944 | **Fax** +27 12 406 9055

**Web:** [www.treasury.gov.za](http://www.treasury.gov.za)



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

