



BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE VOTE 17: Higher Education and Training



national treasury

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2013

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The Estimates of National Expenditure 2013 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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

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

Foreword

The 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

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

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

Higher Education and Training

National Treasury
Republic of South Africa



Contents

Budget summary	1
Aim	1
Mandate.....	1
Strategic goals.....	2
Programme purposes	2
Selected performance indicators	2
The national development plan	3
Expenditure estimates	3
Personnel information	4
Expenditure trends.....	4
Departmental receipts.....	6
Programme 1: Administration	6
Programme 2: Human Resource Development, Planning and Monitoring Coordination	8
Programme 3: University Education	11
Programme 4: Vocational and Continuing Education and Training	15
Programme 5: Skills Development.....	19
Public entities and other agencies.....	21
Additional tables	35

Vote 17

Higher Education and Training

Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	200.6	199.1	0.2	1.4	211.3	221.3
Human Resource Development, Planning and Monitoring Coordination	48.1	44.9	2.9	0.3	52.8	55.8
University Education	28 303.7	47.0	28 256.5	0.2	30 426.0	32 803.5
Vocational and Continuing Education and Training	5 664.5	207.7	5 455.9	0.9	6 012.5	6 342.4
Skills Development	105.6	82.6	21.7	1.2	112.7	118.9
Subtotal	34 322.4	581.2	33 737.1	4.0	36 815.3	39 541.8
Direct charge against the National Revenue Fund						
Sector education and training authorities	9 922.4	–	9 922.4	–	10 835.2	11 853.6
National Skills Fund	2 480.6	–	2 480.6	–	2 708.8	2 963.4
Total expenditure estimates	46 725.4	581.2	46 140.1	4.0	50 359.3	54 358.8

Executive authority Minister of Higher Education and Training
Accounting officer Director General of Higher Education and Training
Website address www.dhet.gov.za

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

Aim

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

Mandate

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

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

Strategic goals

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

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

Programme purposes

Programme 1: Administration

Purpose: Provide overall management and administration of the department.

Programme 2: Human Resource Development, Planning and Monitoring Coordination

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

Programme 3: University Education

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

Programme 4: Vocational and Continuing Education and Training

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

Programme 5: Skills Development

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

Selected performance indicators

Table 17.1 Higher Education and Training

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of students enrolled in higher education institutions per year ¹	University Education	Outcome 5: A Skilled And Capable Workforce To Support An Inclusive Growth Path	837 779	816 400	938 201	909 716	935 710	961 932	988 888
Proportion of higher education enrolments in science, engineering and technology; business; humanities	University Education		28:29:43	28:31:40	28:31:41	29:30:41	29:30:41	30:30:40	30:30:40
Number of higher education graduates per year	University Education		144 852	141 900	160 626	167 807	179 780	189 770	200 315
Number of headcount enrolments in further education and training colleges per year ²	Vocational and Continuing Education and Training		– ²	345 566	427 423	550 000	650 000	800 000	1 000 000

Table 17.1 Higher Education and Training (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of full time equivalents enrolled in further education and training institutions per year	Vocational and Continuing Education and Training	Outcome 5: A Skilled And Capable Workforce To Support An Inclusive Growth Path	102 667	212 215	210 972	263 721	303 280	348 772	401 088
Number of new artisans registered for training each year	Skills Development		26 301	23 517	24 378	25 000	26 000	27 000	28 000
Number of artisan learners competent each year	Skills Development		8 238	11 778	13 168	12 000	12 000	13 000	14 000

1. There was a higher than expected increase in university enrolment in 2011/12 due to more Grade 12 students qualifying for university studies at the end of the 2010 academic year, hence the actual enrolment for 2011/12 exceeds the projected enrolment for 2012/13.

2. Data for this indicator only collected from 2010/11 onwards.

The national development plan

The national development plan aims to have 10 million university graduates in the country with a minimum of a bachelor's degree by 2030. In line with this vision, the 2012 Green Paper on Post-School Education and Training seeks to promote higher education and training as an expanded, effective, coherent and integrated system and to increase the targets set for enrolments by the department in higher education institutions. The national development plan also calls for the expansion in enrolments in further education and training colleges to ensure that South Africa produces the required mid-level skills to support a growing economy. The department has set a target to nearly double headcount enrolment in colleges over the MTEF period to 1 million. In line with the plan's objective to produce 30 000 artisans per year by 2030, the department intends to increase the number of competent artisans by 1 000 per year.

Expenditure estimates

Table 17.2 Higher Education and Training

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million						2009/10 - 2012/13					2012/13 - 2015/16	
Administration	103.3	114.4	152.4	164.2	164.2	16.7%	0.4%	200.6	211.3	221.3	10.5%	0.4%
Human Resource Development, Planning and Monitoring Coordination	29.4	25.8	38.1	44.3	44.3	14.7%	0.1%	48.1	52.8	55.8	7.9%	0.1%
University Education	17 152.8	19 537.9	23 428.4	26 232.7	26 227.7	15.2%	60.8%	28 303.7	30 426.0	32 803.5	7.7%	60.6%
Vocational and Continuing Education and Training	3 261.4	3 942.9	4 540.8	5 044.3	5 036.3	15.6%	11.8%	5 664.5	6 012.5	6 342.4	8.0%	11.9%
Skills Development	137.5	131.4	122.0	100.7	98.7	-10.5%	0.3%	105.6	112.7	118.9	6.4%	0.2%
Subtotal	20 684.4	23 752.4	28 281.7	31 586.2	31 571.2	15.1%	73.5%	34 322.4	36 815.3	39 541.8	7.8%	73.2%
Direct charge against the National Revenue Fund	7 815.6	8 379.3	10 025.3	11 400.0	11 400.0	13.4%	26.5%	12 403.0	13 544.0	14 817.0	9.1%	26.8%
Sector education and training authorities	6 252.4	6 704.1	8 021.4	9 120.0	9 120.0	13.4%	21.2%	9 922.4	10 835.2	11 853.6	9.1%	21.5%
National Skills Fund	1 563.1	1 675.2	2 003.8	2 280.0	2 280.0	13.4%	5.3%	2 480.6	2 708.8	2 963.4	9.1%	5.4%
Total	28 500.0	32 131.6	38 306.9	42 986.2	42 971.2	14.7%	100.0%	46 725.4	50 359.3	54 358.8	8.2%	100.0%
Change to 2012 Budget estimate				1 879.6	1 864.6			2 560.9	3 482.5	5 325.7		

Economic classification

Current payments	332.7	385.2	460.8	523.4	508.4	15.2%	1.2%	581.2	613.0	639.9	8.0%	1.2%
Compensation of employees	201.8	258.2	305.6	374.1	364.1	21.8%	0.8%	402.7	426.5	448.4	7.2%	0.8%
Goods and services	130.9	127.0	155.2	149.3	144.3	3.3%	0.4%	178.5	186.5	191.5	9.9%	0.4%
of which:												
Administration fees	0.1	0.1	0.1	0.2	0.2	16.0%	0.0%	0.3	0.2	0.2	3.3%	0.0%
Advertising	1.2	1.7	4.3	1.3	1.3	3.4%	0.0%	1.8	2.0	2.0	14.2%	0.0%
Assets less than the capitalisation threshold	0.9	0.5	0.7	6.1	6.1	87.1%	0.0%	2.9	3.1	3.3	-18.5%	0.0%
Audit cost: External	2.6	4.5	6.2	7.7	7.7	44.5%	0.0%	7.3	7.5	7.7	-0.1%	0.0%
Bursaries: Employees	0.2	0.4	0.5	0.5	0.5	40.9%	0.0%	0.5	0.5	0.5	3.6%	0.0%
Catering: Departmental activities	0.7	2.2	4.1	1.9	1.9	36.9%	0.0%	4.9	5.0	5.1	39.6%	0.0%
Communication	3.7	4.4	6.1	7.7	5.9	17.1%	0.0%	5.5	5.7	5.9	0.2%	0.0%
Computer services	16.7	20.3	31.4	30.8	29.8	21.2%	0.1%	25.6	26.6	28.2	-1.9%	0.1%
Consultants and professional services: Business and advisory services	24.6	0.4	1.6	5.7	5.7	-38.5%	0.0%	3.0	3.1	3.2	-17.6%	0.0%
Consultants and professional services: Legal costs	-	0.7	2.8	0.8	0.8		0.0%	1.3	2.9	3.0	54.2%	0.0%
Contractors	1.1	0.6	1.3	0.8	0.8	-9.7%	0.0%	0.8	0.8	0.9	3.2%	0.0%
Agency and support / outsourced services	2.6	2.6	2.5	1.3	1.3	-20.6%	0.0%	0.6	0.6	0.4	-30.9%	0.0%
Entertainment	0.0	0.1	0.1	0.1	0.1	12.1%	0.0%	0.1	0.1	0.1	14.7%	0.0%

Table 17.2 Higher Education and Training (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15			2015/16
	R million							2012/13	2015/16				
Fleet services (including government motor transport)	0.2	0.3	0.7	0.0	0.0	-84.1%	0.0%	0.2	0.2	0.2	484.8%	0.0%	
Inventory: Food and food supplies	3.5	1.2	0.6	0.2	0.2	-59.4%	0.0%	0.6	0.7	-	-100.0%	0.0%	
Inventory: Fuel, oil and gas	0.2	0.1	0.1	0.1	0.1	-27.6%	0.0%	0.1	0.1	-	-100.0%	0.0%	
Inventory: Learner and teacher support material	0.0	0.0	0.2	-	-	-100.0%	0.0%	-	-	-	-	-	
Inventory: Materials and supplies	4.4	3.4	1.6	2.4	2.4	-19.1%	0.0%	0.8	1.1	-	-100.0%	0.0%	
Inventory: Medical supplies	0.0	-	0.0	0.0	0.0	-42.1%	0.0%	0.0	0.0	-	-100.0%	0.0%	
Inventory: Other consumables	1.3	0.9	0.7	0.5	0.5	-29.0%	0.0%	0.8	0.7	-	-100.0%	0.0%	
Inventory: Stationery and printing	9.1	12.4	14.7	8.1	8.1	-3.7%	0.0%	13.3	13.3	16.1	25.5%	0.0%	
Operating leases	7.6	4.9	5.7	4.0	4.0	-19.5%	0.0%	7.9	8.1	8.3	27.7%	0.0%	
Property payments	10.9	26.9	20.2	12.0	12.0	3.2%	0.0%	48.6	50.6	51.7	62.6%	0.1%	
Travel and subsistence	28.3	29.9	38.4	41.9	39.7	12.0%	0.1%	43.5	45.1	46.4	5.3%	0.1%	
Training and development	1.5	0.9	1.6	1.1	1.1	-9.8%	0.0%	1.9	2.0	2.1	24.6%	0.0%	
Operating payments	6.3	6.2	5.8	5.9	5.9	-2.1%	0.0%	4.6	4.7	4.7	-7.5%	0.0%	
Venues and facilities	3.0	1.4	3.4	8.3	8.3	41.0%	0.0%	1.7	1.7	1.7	-41.5%	0.0%	
Transfers and subsidies	28 146.5	31 741.0	37 842.4	42 457.8	42 457.8	14.7%	98.8%	46 140.1	49 741.9	53 714.5	8.2%	98.8%	
Provinces and municipalities	3 155.3	3 804.0	4 375.3	4 844.6	4 844.6	15.4%	11.4%	2 442.7	2 600.3	2 758.8	-17.1%	6.5%	
Departmental agencies and accounts	9 690.0	10 417.9	14 107.3	16 701.9	16 701.9	19.9%	35.9%	18 285.6	19 780.4	21 340.5	8.5%	39.1%	
Higher education institutions	15 297.2	17 516.7	19 354.2	20 902.9	20 902.9	11.0%	51.5%	22 388.8	24 155.1	26 243.2	7.9%	48.2%	
Foreign governments and international organisations	2.2	2.1	2.4	2.5	2.5	5.2%	0.0%	2.9	2.9	3.2	7.5%	0.0%	
Non-profit institutions	-	-	3.0	5.0	5.0	-	0.0%	3 020.2	3 203.2	3 368.8	776.7%	4.9%	
Households	1.8	0.4	0.2	0.9	0.9	-20.6%	0.0%	-	-	-	-100.0%	0.0%	
Payments for capital assets	20.7	5.4	3.7	4.9	4.9	-38.1%	0.0%	4.0	4.4	4.4	-3.4%	0.0%	
Buildings and other fixed structures	1.9	-	-	-	-	-100.0%	0.0%	-	-	-	-	-	
Machinery and equipment	14.9	5.3	3.6	4.8	4.8	-31.6%	0.0%	4.0	4.4	4.4	-2.2%	0.0%	
Software and other intangible assets	4.0	0.1	0.1	0.2	0.2	-64.8%	0.0%	-	-	-	-100.0%	0.0%	
Payments for financial assets	0.1	0.0	0.1	-	-	-100.0%	0.0%	-	-	-	-	-	
Total	28 500.0	32 131.6	38 306.9	42 986.2	42 971.2	14.7%	100.0%	46 725.4	50 359.3	54 358.8	8.2%	100.0%	

Personnel information

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

Post status as at 30 September 2012	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Higher Education and Training	903	125	843	245.2	0.3	1 023	292.3	0.3	1 028	319.4	0.3	1 031	342.8	0.3	1 030	364.4	0.4	0.2%	100.0%
Salary level																			
1 - 6	376	123	398	48.8	0.1	496	57.8	0.1	494	60.9	0.1	494	65.4	0.1	494	69.5	0.1	-0.1%	48.1%
7 - 10	328	2	282	74.7	0.3	328	95.7	0.3	329	106.4	0.3	329	114.4	0.3	329	121.8	0.4	0.1%	32.0%
11 - 12	122	-	95	57.9	0.6	122	66.8	0.5	122	77.8	0.6	125	83.7	0.7	125	89.1	0.7	0.8%	12.0%
13 - 16	77	-	68	63.7	0.9	77	72.0	0.9	83	74.3	0.9	83	79.2	1.0	82	84.1	1.0	2.1%	7.9%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be in the *University Education* programme, which consists mainly of transfers to higher education institutions and the National Student Financial Aid Scheme. This is intended to increase the number of university graduates, particularly in scarce skills areas, and provide access to universities and colleges for poor students by providing loans and bursaries. Growth in the department's spending over the medium term is mainly due to the *University Education* programme and related transfers and subsidies.

The increased spending is expected to expand enrolments in higher education institutions from 909 716 students in 2012/13 to 988 888 in 2015/16, and in further education and training colleges from 550 000 students in 2012/13 to 1 million by 2015/16.

The department employed an additional 180 people between 2010/11 and 2012/13, the majority of which were at salary levels 7, 9 and 11. This was mainly due to the filling of critical vacant positions after the former Department of Education was divided into two departments in 2010. Over the medium term, spending on compensation of employees is expected to grow moderately as the majority of the funded posts within the department should have been filled. The ratio of support to line function staff is 1:4.2.

The department had a budget of R36.5 million for consultants in 2012/13, which is equivalent to 9.7 per cent of the total budget for compensation of employees. Consultants are used to support critical skills and provide technical expertise, including internal audit investigations, organisational development, ministerial commissions and committees, legal and legislative services, and financial and business advice.

The 2013 Budget sets out additional allocations over the medium term of R300.5 million, R693.4 million and R1.8 billion to be used as follows:

- R8.6 million, R10.5 million and R15.1 million for improved conditions of service in the department
- R628 000, R843 000 and R1.1 million for improved conditions of service in the Council for Higher Education
- R997 000, R1.3 million and R1.7 million for improved conditions of service in the National Student Financial Aid Scheme
- R335 000, R450 000 and R586 000 for improved conditions of service in the Quality Council for Trades and Occupations
- R1.8 million, R2.4 million and R3.1 million for improved conditions of service in the South African Qualifications Authority
- R90.9 million, R110 million and R130 million for the further education and training colleges conditional grant for improved conditions of service
- R150 million, R500 million and R1 billion for capital expenditure on the new universities in Mpumalanga and Northern Cape
- R500 million in 2015/16 for university subsidies
- R47.3 million, R67.9 million and R113.1 million for the further education and training colleges subsidies for improved conditions of service.

The department expects to realise savings of R8.1 million, R12.3 million and R19.4 million over the medium term as follows:

- R6.3 million, R10.4 million and R16.4 million throughout all programmes in the department
- R876 000 in 2013/14 in the administration of the National Student Financial Aid Scheme
- R481 000, R1 million and R1.6 million within the South African Qualifications Authority
- R417 000, R885 000 and R1.4 million within the Council on Higher Education.

Infrastructure spending

The earmarked grant for infrastructure to higher education institutions is the largest item of spending on infrastructure. R6.5 billion has been allocated under this grant for university infrastructure over the medium term, R1.7 billion of which is to be used for the start of construction of two new universities in Mpumalanga and Northern Cape. These funds are earmarked for the improvement of infrastructure for architecture and the built environment, engineering, health sciences, life and physical sciences, teacher training disciplines, and for student accommodation. In addition, funds have been set aside to enable universities to improve their existing infrastructure to ensure easy access for students with disabilities. Most of the infrastructure allocations are earmarked for historically disadvantaged universities. In light of the increased role of ICT in higher education, funds have also been set aside to improve broadband connectivity and general ICT infrastructure at universities. This allocation for university infrastructure is supplemented by commitments of more than R2 billion from the universities out of their own funds.

Departmental receipts

Table 17.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand												
Departmental receipts	6 720	8 902	10 130	10 585	10 585	16.4%	100.0%	9 317	9 425	9 574	-3.3%	100.0%
Sales of goods and services produced by department	728	3 468	3 913	4 530	4 530	83.9%	34.8%	4 172	4 382	4 580	0.4%	45.4%
Sales by market establishments	-	240	355	246	246	-	2.3%	279	293	301	7.0%	2.9%
<i>of which:</i>												
Academic services: Temporary accommodation	-	32	219	10	10	-	0.7%	169	183	191	167.3%	1.4%
Sale of assets less than R5 000	-	2	7	-	-	-	-	10	10	10	-	0.1%
Academic term	-	100	10	236	236	-	1.0%	-	-	-	-100.0%	0.6%
Commission	-	106	119	-	-	-	0.6%	100	100	100	-	0.8%
Administration fees	665	2 544	2 756	3 382	3 382	72.0%	25.7%	2 833	2 975	3 114	-2.7%	31.6%
<i>of which:</i>												
Exams	505	597	725	802	802	16.7%	7.2%	818	859	899	3.9%	8.7%
Trade fee	-	1 752	1 838	2 478	2 478	-	16.7%	1 796	1 885	1 972	-7.3%	20.9%
Higher education institutions	60	55	44	32	32	-18.9%	0.5%	53	56	59	22.6%	0.5%
Further education and training	100	130	149	70	70	-11.2%	1.2%	166	175	184	38.0%	1.5%
Sports and club facilities	-	10	-	-	-	-	-	-	-	-	-	-
Other sales	63	684	802	902	902	142.8%	6.7%	1 060	1 114	1 165	8.9%	10.9%
<i>of which:</i>												
Boarding fees	44	344	210	84	84	24.1%	1.9%	292	307	321	56.3%	2.6%
Parking	18	22	24	24	24	10.1%	0.2%	26	28	29	6.5%	0.3%
Sale of meals and refreshments	1	91	202	204	204	488.7%	1.4%	202	212	222	2.9%	2.2%
Commission	-	10	-	136	136	-	0.4%	127	133	139	0.7%	1.4%
Rental	-	217	366	454	454	-	2.9%	413	434	454	-	4.5%
Sales of scrap, waste, arms and other used current goods	60	44	39	24	24	-26.3%	0.5%	17	17	17	-10.9%	0.2%
<i>of which:</i>												
Waste paper	60	44	39	24	24	-26.3%	0.5%	17	17	17	-10.9%	0.2%
Transfers received	-	33	-	20	20	-	0.1%	-	-	-	-100.0%	0.1%
Interest, dividends and rent on land	4 162	3 565	3 382	3 514	3 514	-5.5%	40.2%	3 463	3 394	3 360	-1.5%	35.3%
Interest	4 162	3 565	3 382	3 514	3 514	-5.5%	40.2%	3 463	3 394	3 360	-1.5%	35.3%
Transactions in financial assets and liabilities	1 770	1 792	2 796	2 497	2 497	12.2%	24.4%	1 665	1 632	1 617	-13.5%	19.1%
Total	6 720	8 902	10 130	10 585	10 585	16.4%	100.0%	9 317	9 425	9 574	-3.3%	100.0%

Programme 1: Administration

Expenditure estimates

Table 17.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
R thousand												
Ministry	14 852	20 973	29 918	30 144	26.6%	17.9%	28 651	30 132	31 473	1.4%	15.1%	
Department Management	12 813	15 703	23 350	27 173	28.5%	14.8%	28 278	30 155	31 892	5.5%	14.7%	
Corporate Services	64 229	52 306	79 827	95 836	14.3%	54.7%	95 740	100 996	106 734	3.7%	50.1%	
Office Accommodation	11 378	25 460	19 309	11 013	-1.1%	12.6%	47 952	50 052	51 189	66.9%	20.1%	
Total	103 272	114 442	152 404	164 166	16.7%	100.0%	200 621	211 335	221 288	10.5%	100.0%	
Change to 2012 Budget estimate				(11 287)			7 919	5 336	5 813			

Table 17.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10	2012/13	2013/14	2014/15		
R thousand											
Current payments	94 404	109 600	149 632	160 622	19.4%	96.3%	199 066	209 393	219 274	10.9%	98.9%
Compensation of employees	36 452	48 457	70 023	90 901	35.6%	46.0%	100 435	106 288	112 602	7.4%	51.4%
Goods and services	57 952	61 143	79 609	69 721	6.4%	50.2%	98 631	103 105	106 672	15.2%	47.4%
of which:											
Administration fees	94	66	85	147	16.1%	0.1%	271	157	164	3.7%	0.1%
Advertising	640	1 411	3 688	1 169	22.2%	1.3%	1 483	1 674	1 652	12.2%	0.7%
Assets less than the capitalisation threshold	437	241	384	2 201	71.4%	0.6%	211	199	156	-58.6%	0.3%
Audit cost: External	2 035	4 501	6 191	7 702	55.8%	3.8%	7 322	7 519	7 683	-0.1%	3.8%
Bursaries: Employees	161	409	475	450	40.9%	0.3%	500	500	500	3.6%	0.2%
Catering: Departmental activities	65	230	1 425	480	94.7%	0.4%	361	383	379	-7.6%	0.2%
Communication	1 241	2 402	2 658	2 203	21.1%	1.6%	2 779	2 842	2 941	10.1%	1.3%
Computer services	7 754	10 842	16 661	19 313	35.6%	10.2%	13 965	14 764	16 302	-5.5%	8.1%
Consultants and professional services: Business and advisory services	20 404	138	406	2 566	-49.9%	4.4%	2 015	2 107	2 141	-5.9%	1.1%
Contractors	442	73	1 103	608	11.2%	0.4%	576	579	593	-0.8%	0.3%
Agency and support / outsourced services	582	575	1 118	210	-28.8%	0.5%	240	270	270	8.7%	0.1%
Entertainment	26	55	106	69	38.4%	-	102	103	104	14.7%	-
Fleet services (including government motor transport)	140	320	663	-	-100.0%	0.2%	200	200	200	-	0.1%
Inventory: Food and food supplies	-	-	3	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	3	159	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	76	37	-	-	-	10	53	-	-	-
Inventory: Other consumables	-	254	294	-	-	0.1%	395	421	-	-	0.1%
Inventory: Stationery and printing	1 556	2 063	2 515	2 575	18.3%	1.6%	1 800	1 913	2 449	-1.7%	1.1%
Operating leases	3 048	786	1 519	1 144	-27.9%	1.2%	1 535	1 603	1 613	12.1%	0.7%
Property payments	9 593	26 025	19 985	11 277	5.5%	12.5%	48 269	50 275	51 419	65.8%	20.2%
Travel and subsistence	8 229	8 887	15 168	14 207	20.0%	8.7%	13 044	13 794	14 336	0.3%	6.9%
Training and development	255	864	1 599	1 095	62.5%	0.7%	1 900	2 000	2 100	24.2%	0.9%
Operating payments	1 081	692	2 392	1 665	15.5%	1.1%	895	981	920	-17.9%	0.6%
Venues and facilities	169	230	975	640	55.9%	0.4%	758	768	750	5.4%	0.4%
Transfers and subsidies	1 214	394	267	1 014	-5.8%	0.5%	165	173	179	-43.9%	0.2%
Departmental agencies and accounts	76	131	157	175	32.1%	0.1%	165	173	179	0.8%	0.1%
Households	1 138	263	110	839	-9.7%	0.4%	-	-	-	-100.0%	0.1%
Payments for capital assets	7 654	4 448	2 426	2 530	-30.9%	3.2%	1 390	1 769	1 835	-10.2%	0.9%
Machinery and equipment	7 418	4 394	2 312	2 355	-31.8%	3.1%	1 390	1 769	1 835	-8.0%	0.9%
Software and other intangible assets	236	54	114	175	-9.5%	0.1%	-	-	-	-100.0%	-
Payments for financial assets	-	-	79	-	-	-	-	-	-	-	-
Total	103 272	114 442	152 404	164 166	16.7%	100.0%	200 621	211 335	221 288	10.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%			0.6%	0.6%	0.6%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
	2009/10	2010/11	2011/12	2012/13	2009/10	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
Current	76	131	157	175	32.1%	0.1%	165	173	179	0.8%	0.1%
Education, training and development practices sector education and training authority	74	125	157	175	33.2%	0.1%	165	173	179	0.8%	0.1%
Claims against the state	2	6	-	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	1 138	263	110	839	-9.7%	0.4%	-	-	-	-100.0%	0.1%
Employee social benefits	1 138	263	110	839	-9.7%	0.4%	-	-	-	-100.0%	0.1%

Personnel information

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

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate ³ 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16	
Administration																					
Salary level	297	56	229	70.0	0.3	351	93.3	0.3	349	98.9	0.3	349	106.0	0.3	349	112.6	0.3			-0.2%	100.0%
1 – 6	132	56	107	13.9	0.1	188	21.1	0.1	187	21.7	0.1	187	23.2	0.1	187	24.5	0.1			-0.2%	53.6%
7 – 10	106	–	73	17.9	0.2	104	28.3	0.3	102	31.2	0.3	102	33.6	0.3	102	35.8	0.4			-0.6%	29.3%
11 – 12	31	–	25	16.3	0.7	31	16.8	0.5	31	18.2	0.6	31	19.6	0.6	31	20.8	0.7			–	8.9%
13 – 16	28	–	24	21.9	0.9	28	27.1	1.0	29	27.8	1.0	29	29.6	1.0	29	31.5	1.1			1.2%	8.2%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on providing corporate services to the department and seeing to its accommodation needs to ensure that it has the support to deliver on its mandate and provide a highly effective, professional and efficient administration. Thus, the bulk of expenditure over the medium term is on compensation of employees and property payments. As part of Cabinet approved reductions, the department will reduce spending by R4.6 million over the medium term. The reductions will be effected through efficiency measures.

Expenditure increased significantly between 2009/10 and 2012/13, mainly due to the appointment of additional personnel and the related goods and services expenditure and capital costs required to establish the department when it was new in 2010. Over the medium term, the department expects the number of personnel to remain broadly constant, so a significant increase in spending on compensation of employees over this period is not expected. The increase in expenditure on this item between 2012/13 and 2015/16 is mainly driven by additional funding for improved conditions of service. The R37 million increase in property payments expected in 2013/14 is because the department is expecting to move to new office accommodation as the current building is no longer suitable. The latter also explains the significant increase in projected spending in the *Office Accommodation* subprogramme over the medium term.

Spending on consultants was equivalent to 2.8 per cent of total expenditure on compensation of employees in 2012/13, and is expected to decrease from R2.6 million in 2012/13 to R2.1 million in 2015/16, due to the conclusion of certain tasks and the filling of some of the critical vacant positions relating to the establishment of the department. Consultants will be used mainly for specific technical tasks such as internal auditing, risk assessments and organisational development. Consultants may be used where independent assessments are required, such as for the work of ministerial commissions and committees.

Programme 2: Human Resource Development, Planning and Monitoring Coordination

Objectives

- Provide accurate data on skills supply and demand in the country by establishing and maintaining an integrated higher education and training management information system, linking all providers of education and training, and integrating all institutional data into a single system by 2013/14.
- Manage and maintain credible planning and budgeting processes for the department by developing an annual performance plan and performance indicators, and producing quarterly performance progress reports on the implementation of the department's strategic and performance plans.
- Monitor and support actions needed to implement the statutory functions assigned to the minister, director general and quality councils by the National Qualifications Framework Act (2008) by producing a

monitoring and evaluation report, developing the annual ministerial policy guideline and answering all requests for advice from the South African Qualifications Authority.

- Establish and maintain a coherent career management and information system by developing and implementing 5 modules for web based career guidance systems by March 2015 together with reaching 3 million young people by means of radio broadcasts, more than 25 000 young people through exhibitions and more than 12 000 through a helpline each year over the medium term.
- Pursue bilateral relations with priority countries to foster productive international cooperation on educational themes across all levels of education by ensuring that all engagement reports on relations are completed annually.
- Establish a well functioning social inclusion, equity and transformation service within the department and its entities by focusing on policy research, monitoring and evaluation in matters relating to race, class, gender, age, disability, HIV and AIDS, and career information services and counselling; and developing and overseeing policy implementation on these matters by March 2015.

Subprogrammes

- *Programme Management: Human Resource Development, Planning and Monitoring Coordination* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 4 in 2012/13.
- *Human Resource Development, Strategic Planning and Coordination* provides strategic direction in the development, implementation and monitoring of departmental policies; and coordinates activities in relation to the national human resources development strategy. In 2012/13, key outputs included the development of ministerial guidelines to the national qualifications framework; the establishment of structures and strategic performance plans for the Human Resource Development Council; and the development of the department's annual performance and strategic plans, and associated reporting. This subprogramme had a staff complement of 25 in 2012/13.
- *Planning, Information, Monitoring and Evaluation Coordination* monitors and evaluates policy outputs of the department; coordinates research in the fields of higher education and training; and ensures that education policies, plans and legislation are developed into well functioning systems through monitoring their implementation on an ongoing basis. In 2012/13, focus was placed on revising policy related to education and training information, developing frameworks for career guidance services, and providing coordinated information on skills supply and demand in the country. This subprogramme had a staff complement of 17 in 2012/13.
- *International Relations* develops and promotes international relations; supports the United Nations (UN) Educational, Scientific and Cultural Organisation in the higher education subsystem; and manages, monitors and reports on international donor grant funding. An area of ongoing work is the pursuit of African advancement and enhanced international cooperation in education and training, in line with departmental and foreign policy priorities. In this regard, in 2012/13 R2.1 million was transferred to the Commonwealth of Learning and the India-Brazil-South Africa trilateral commission for membership fees. This subprogramme had a staff complement of 17 in 2012/13.
- *Legal and Legislative Services* manages the legal and legislative services of the department and supports provincial education departments, sector education and training authorities, and the National Skills Fund with regard to legal and legislative matters. Key outputs in 2012/13 included managing amendments to skills legislation related to the governance and oversight of the sector education and training authorities, as well as the constitutional amendment to make further education and training colleges and adult education and training an exclusive national competence. This subprogramme had a staff complement of 20 in 2012/13.
- *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. Key outputs in 2012/13 included the development of a policy document on social inclusion and a report on the implementation of the social inclusion policy framework by March 2014. This subprogramme had a staff complement of 8 in 2012/13.

Expenditure estimates

Table 17.7 Human Resource Development, Planning and Monitoring Coordination

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Programme Management: Human Resource Development, Planning and Monitoring Coordination	836	2 091	2 970	2 997	53.0%	6.5%	3 451	3 683	2 830	-1.9%	6.4%
Human Resource Development, Strategic Planning and Coordination	4 412	6 484	10 030	10 858	35.0%	23.1%	10 670	11 420	12 125	3.7%	22.4%
Planning, Information, Monitoring and Evaluation Coordination	7 380	2 714	4 854	7 318	-0.3%	16.2%	9 176	9 815	11 331	15.7%	18.7%
International Relations	7 561	7 376	9 920	11 760	15.9%	26.6%	11 329	11 937	12 714	2.6%	23.8%
Legal and Legislative Services	3 984	4 926	6 837	7 159	21.6%	16.6%	8 765	10 943	11 434	16.9%	19.1%
Social Inclusion in Education	5 234	2 178	3 463	4 250	-6.7%	11.0%	4 675	5 024	5 328	7.8%	9.6%
Total	29 407	25 769	38 074	44 342	14.7%	100.0%	48 066	52 822	55 762	7.9%	100.0%
Change to 2012 Budget estimate				3 671			2 077	3 773	4 457		

Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
Current payments	26 529	23 568	35 419	41 584	16.2%	92.4%	44 926	49 622	52 356	8.0%	93.8%
Compensation of employees	19 069	20 207	27 507	35 967	23.6%	74.7%	39 414	42 262	44 809	7.6%	80.8%
Goods and services	7 460	3 361	7 912	5 617	-9.0%	17.7%	5 512	7 360	7 547	10.3%	13.0%
of which:											
Administration fees	4	12	9	-	-100.0%	-	11	12	13	-	-
Advertising	60	-	128	41	-11.9%	0.2%	10	13	13	-31.8%	-
Assets less than the capitalisation threshold	17	22	69	255	146.6%	0.3%	93	130	115	-23.3%	0.3%
Catering: Departmental activities	57	78	143	188	48.9%	0.3%	123	120	134	-10.7%	0.3%
Communication	297	378	461	522	20.7%	1.2%	526	571	591	4.2%	1.1%
Computer services	1 184	9	4	137	-51.3%	1.0%	225	240	238	20.2%	0.4%
Consultants and professional services: Business and advisory services	806	-	3	79	-53.9%	0.6%	2	-	2	-70.6%	-
Consultants and professional services: Legal costs	-	689	2 782	807	-	3.1%	1 264	2 924	2 960	54.2%	4.0%
Contractors	23	3	26	93	59.3%	0.1%	2	2	2	-72.2%	-
Agency and support / outsourced services	1 821	-	171	200	-52.1%	1.6%	3	2	4	-72.9%	0.1%
Fleet services (including government motor transport)	5	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	17	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	5	-	-	-	-	1	1	-	-	-
Inventory: Other consumables	-	1	3	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	328	258	334	378	4.8%	0.9%	401	394	412	2.9%	0.8%
Operating leases	142	10	78	129	-3.1%	0.3%	-	-	-	-100.0%	0.1%
Property payments	3	24	46	33	122.4%	0.1%	2	2	2	-60.7%	-
Travel and subsistence	2 274	1 631	2 988	2 137	-2.0%	6.6%	2 027	2 122	2 230	1.4%	4.2%
Training and development	4	-	7	-	-100.0%	-	12	12	12	-	-
Operating payments	218	127	65	367	19.0%	0.6%	630	632	643	20.6%	1.1%
Venues and facilities	217	97	595	251	5.0%	0.8%	180	183	176	-11.2%	0.4%
Transfers and subsidies	2 737	2 082	2 379	2 544	-2.4%	7.1%	2 864	2 915	3 156	7.5%	5.7%
Departmental agencies and accounts	4	-	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations	2 183	2 082	2 379	2 544	5.2%	6.7%	2 864	2 915	3 156	7.5%	5.7%
Households	550	-	-	-	-100.0%	0.4%	-	-	-	-	-
Payments for capital assets	133	119	276	214	17.2%	0.5%	276	285	250	5.3%	0.5%
Machinery and equipment	114	119	276	214	23.4%	0.5%	276	285	250	5.3%	0.5%
Software and other intangible assets	19	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	8	-	-	-	-100.0%	-	-	-	-	-	-
Total	29 407	25 769	38 074	44 342	14.7%	100.0%	48 066	52 822	55 762	7.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.1%			0.1%	0.1%	0.1%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	4	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	550	-	-	-	-100.0%	0.4%	-	-	-	-	-
Employee social benefits	550	-	-	-	-100.0%	0.4%	-	-	-	-	-
Foreign governments and international organisations											
Current	2 183	2 082	2 379	2 544	5.2%	6.7%	2 864	2 915	3 156	7.5%	5.7%
Indian-Brazil-South Africa Trilateral Commission	365	352	379	428	5.5%	1.1%	500	500	500	5.3%	1.0%
Commonwealth of Learning	1 818	1 730	2 000	2 116	5.2%	5.6%	2 364	2 415	2 656	7.9%	4.8%

Personnel information

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

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Human Resource Development, Planning and Monitoring Coordination																			
Salary level	78	14	62	27.5	0.4	91	37.5	0.4	90	39.6	0.4	90	42.5	0.5	89	45.1	0.5	-0.7%	100.0%
1 – 6	8	12	11	1.2	0.1	19	1.8	0.1	21	2.4	0.1	21	2.6	0.1	21	2.8	0.1	3.4%	22.8%
7 – 10	33	2	27	5.8	0.2	35	11.0	0.3	33	11.0	0.3	33	11.9	0.4	33	12.6	0.4	-1.9%	37.2%
11 – 12	21	–	11	7.4	0.7	21	12.0	0.6	19	12.0	0.6	19	12.9	0.7	19	13.8	0.7	-3.3%	21.7%
13 – 16	16	–	13	13.1	1.0	16	12.6	0.8	17	14.1	0.8	17	15.1	0.9	16	15.9	1.0	–	18.3%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on the development, implementation and monitoring of departmental policies; and promoting international relations, including supporting the UN Educational, Scientific and Cultural Organisation in the higher education subsystem. Compensation of employees is therefore the largest item of expenditure in this programme over the seven-year period. The significant increase in spending on this item between 2009/10 and 2012/13 was the result of filling critical vacant positions across all subprogrammes, as the department was established in 2010. This saw the number of filled posts increase from 58 in 2009/10 to 91 in 2012/13, including 10 interns, and is the reason for the growth in expenditure across subprogrammes in this period. For the same reason, spending on some goods and services items increased over this period. These included legal costs related to proposed amendments to skills and further education and training legislation, consultants and computer costs for the development of a coherent career management and information system for the post-school sector, and travel and subsistence.

The significant increases in expenditure in the *Planning, Information, Monitoring and Evaluation Coordination* subprogramme over the medium term are mainly driven by the continuing development of an integrated system for the reporting of data on skills provisioning, skills demand and skills movement in the country. This will include implementing five modules for web based career guidance systems by 2015, continuing policy development and evaluation relating to social inclusion, equity and transformation, and pursuing productive international relations through the completion of engagement reports. The increases in spending on compensation of employees over the medium term will mainly be for the improved conditions of service.

As part of the Cabinet approved reductions, the department will reduce spending by R926 000 over the medium term. The reductions will be effected in spending on items such as travel and subsistence, communications and computer services, where efficiency measures will be implemented. Spending on consultants was equivalent to 8 per cent of expenditure on compensation of employees in 2011/12, and is expected to increase from R2.7 million in 2011/12 to R2.9 million in 2015/16. Consultants in this programme are mainly used for legal and legislative services.

Programme 3: University Education

Objectives

- Support universities to increase their graduate output, especially in scarce skills, by providing foundation and teaching development grants to increase the number of:
 - engineering graduates from 8 792 in 2010/11 to 12 274 in 2015/16
 - life and physical science graduates from 5 216 in 2010/11 to 8 931 in 2015/16
 - human and animal health sciences graduates from 7 294 in 2010/11 to 9 874 in 2015/16.

- Expand equitable access to and success in higher education by supporting institutions with the annual allocation of grants earmarked for foundation programmes, teaching development and infrastructure development.
- Monitor the performance of all 23 universities annually by providing reliable planning and monitoring data through a quality higher education management information system and updating the student data biannually.
- Enhance and support university research capacity and productivity through the provision of research and development grants to increase the number of graduates of masters programmes from 4 633 graduates in 2010/11 to 6 263 in 2015/16, and of doctoral programmes from 1 420 graduates in 2010/11 to 2 192 in 2015/16.
- Improve access to university education opportunities in Mpumalanga and Northern Cape by overseeing the establishment of the universities for these provinces over the medium to long term.
- Expand the provision of initial teacher education and increase the number of newly qualified teachers by increasing the number of institutions providing foundation phase teacher education from 14 in 2010/11 to 20 institutions by 2014/15, and the number of graduates from initial teacher education programmes from 7 754 in 2010/11 to 12 000 in 2014/15.

Subprogrammes

- *Programme Management: University Education* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions for the programme. This subprogramme had a staff complement of 4 in 2012/13.
- *University - Academic Planning and Management* plans and monitors the university system. This entails analysing institutional and national plans, and maintaining programmes and qualification combinations. The bulk of this subprogramme's budget is transferred to the National Student Financial Aid Scheme for university and further education and training college student loans and bursaries. Transfers are also made to the Council on Higher Education and Training as well as to the South African Qualifications Authority as contributions to their operations. This subprogramme had a staff complement of 19 in 2012/13.
- *University - Financial Planning and Information Systems* coordinates and manages the development and maintenance of universities' information systems and the appropriate funding framework for a diverse university system. Ongoing responsibilities include monitoring and assessing progress reports on the use of earmarked grants, including conducting site visits to all 23 universities twice a year, and ensuring that the higher education information management system is properly maintained with updated data. This subprogramme had a staff complement of 12 in 2012/13.
- *University - Policy and Development* regulates private university institutions and provides support for the development of universities. Ongoing responsibilities include monitoring and providing advice to higher education institutions on developing and enhancing research capacity, including strategies to increase the number of postgraduate students by analysing research outputs of all institutions and advising where changes and improvements in terms of funding allocations and funding could be made. The specific focus over the medium will be on establishing 2 new universities in Mpumalanga and Northern Cape. This subprogramme had a staff complement of 28 in 2012/13.
- *Teacher Education* develops a responsive and comprehensive national teacher education and development system as a subsystem of the higher education and training system, develops and maintains academic policy for teacher education qualifications in line with the higher education qualifications framework, mentors institutions for adherence to policy, and supports policy implementation to ensure relevant curricula and a sufficient supply of well qualified teachers for all education subsystems. A key output over the medium term will be the finalisation and implementation of policies on teacher education qualifications for the different education subsectors (early childhood development, schooling, vocational education and training, adult education and university education). This subprogramme had a staff complement of 17 in 2012/13.

- *University Subsidies* transfers payments to universities. The bulk of this subprogramme's budget is used for unconditional block grant transfers to the 23 universities. Funding is allocated to universities based on research outputs, teaching inputs and outputs, and contextual factors such as the number of disadvantaged students enrolled at an institution. This subprogramme had no staff complement in 2012/13.

Expenditure estimates

Table 17.9 University Education

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R thousand											
Programme Management: University Education	2 801	1 866	1 843	3 606	8.8%	-	3 878	4 139	4 390	6.8%	-
University - Academic Planning and Management	1 837 121	1 997 307	4 044 197	5 291 036	42.3%	15.3%	5 872 588	6 225 934	6 512 665	7.2%	20.3%
University - Financial Planning and Information Systems	2 601	5 631	7 855	8 844	50.4%	-	8 543	9 137	9 662	3.0%	-
University - Policy and Development	11 992	11 125	13 744	18 555	15.7%	0.1%	22 399	23 702	25 014	10.5%	0.1%
Teacher Education	1 074	5 246	6 558	7 791	93.6%	-	7 476	8 033	8 517	3.0%	-
University Subsidies	15 297 180	17 516 740	19 354 159	20 902 860	11.0%	84.6%	22 388 767	24 155 093	26 243 227	7.9%	79.6%
Total	17 152 769	19 537 915	23 428 356	26 232 692	15.2%	100.0%	28 303 651	30 426 038	32 803 475	7.7%	100.0%
Change to 2012 Budget estimate				(1 273)			148 192	499 109	1 499 907		

Economic classification

Current payments	29 800	34 362	36 005	43 134	13.1%	0.2%	46 956	50 215	53 203	7.2%	0.2%
Compensation of employees	21 887	28 010	28 804	36 072	18.1%	0.1%	40 887	43 934	46 747	9.0%	0.1%
Goods and services	7 913	6 352	7 201	7 062	-3.7%	-	6 069	6 281	6 456	-2.9%	-
of which:											
Administration fees	2	7	-	17	104.1%	-	3	3	4	-38.3%	-
Advertising	359	198	290	61	-44.6%	-	220	226	238	57.4%	-
Assets less than the capitalisation threshold	34	33	27	96	41.3%	-	56	50	46	-21.7%	-
Catering: Departmental activities	41	132	156	90	30.0%	-	143	149	164	22.1%	-
Communication	328	460	434	252	-8.4%	-	384	453	470	23.1%	-
Computer services	-	1	274	550	-	-	758	739	761	11.4%	-
Consultants and professional services: Business and advisory services	1 952	271	347	387	-41.7%	-	504	539	553	12.6%	-
Contractors	119	244	9	16	-48.8%	-	4	7	7	-24.1%	-
Agency and support / outsourced services	84	645	221	538	85.7%	-	40	45	45	-56.3%	-
Fleet services (including government motor transport)	6	-	1	-	-100.0%	-	-	-	-	-	-
Inventory: Stationery and printing	327	273	400	287	-4.3%	-	381	356	366	8.4%	-
Operating leases	53	41	61	52	-0.6%	-	59	59	59	4.3%	-
Property payments	11	65	30	10	-3.1%	-	19	21	23	32.0%	-
Travel and subsistence	3 721	3 509	3 893	3 958	2.1%	-	2 699	2 914	2 990	-8.9%	-
Training and development	329	-	13	1	-85.5%	-	9	5	10	115.4%	-
Operating payments	41	297	833	506	131.1%	-	496	443	445	-4.2%	-
Venues and facilities	506	176	212	241	-21.9%	-	294	272	275	4.5%	-
Transfers and subsidies	17 122 640	19 503 480	23 392 215	26 189 237	15.2%	99.8%	28 256 461	30 375 542	32 750 002	7.7%	99.8%
Departmental agencies and accounts	1 825 433	1 986 740	4 035 056	5 281 377	42.5%	15.2%	5 860 694	6 213 029	6 499 014	7.2%	20.3%
Higher education institutions	15 297 180	17 516 740	19 354 159	20 902 860	11.0%	84.6%	22 388 767	24 155 093	26 243 227	7.9%	79.6%
Non-profit institutions	-	-	3 000	5 000	-	-	7 000	7 420	7 761	15.8%	-
Households	27	-	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	325	71	119	321	-0.4%	-	234	281	270	-5.6%	-
Machinery and equipment	325	71	119	321	-0.4%	-	234	281	270	-5.6%	-
Payments for financial assets	4	2	17	-	-100.0%	-	-	-	-	-	-
Total	17 152 769	19 537 915	23 428 356	26 232 692	15.2%	100.0%	28 303 651	30 426 038	32 803 475	7.7%	100.0%
Proportion of total programme expenditure to vote expenditure	82.9%	82.3%	82.8%	83.1%			82.5%	82.6%	83.0%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 825 433	1 986 740	4 035 056	5 281 377	42.5%	15.2%	5 860 694	6 213 029	6 499 014	7.2%	20.3%
Claims against the state	24	-	-	-	-100.0%	-	-	-	-	-	-
National Student Financial Aid Scheme	1 744 668	1 909 359	3 956 849	5 195 661	43.9%	14.8%	5 769 405	6 116 832	6 398 551	7.2%	19.9%
Council on Higher Education	41 661	36 046	36 772	39 993	-1.4%	0.2%	41 888	44 189	45 976	4.8%	0.1%
South African Qualifications Authority	39 080	41 335	41 435	45 723	5.4%	0.2%	49 401	52 008	54 487	6.0%	0.2%

Table 17.9 University Education (continued)

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Details of transfers and subsidies											
Non-profit institutions											
Current	-	-	3 000	5 000	-	-	7 000	7 420	7 761	15.8%	-
Higher Education South Africa	-	-	3 000	5 000	-	-	7 000	7 420	7 761	15.8%	-
Households											
Social benefits											
Current	27	-	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	27	-	-	-	-100.0%	-	-	-	-	-	-
Higher education institutions											
Current	13 795 981	15 905 807	17 714 461	19 085 860	11.4%	77.0%	20 229 512	21 442 093	2 929 629	6.3%	71.1%
University subsidies	13 795 981	15 905 807	17 714 461	18 985 860	11.2%	76.9%	20 079 512	21 283 093	2 763 315	6.2%	70.6%
Witwatersrand: New universities in Mpumalanga and Northern Cape	-	-	-	100 000	-	0.1%	150 000	159 000	166 314	18.5%	0.5%
Capital	1 501 199	1 610 933	1 639 698	1 817 000	6.6%	7.6%	2 159 255	2 713 000	3 313 598	22.2%	8.5%
University subsidies	1 501 199	1 610 933	1 639 698	1 817 000	6.6%	7.6%	2 009 255	2 213 000	2 313 598	8.4%	7.1%
Witwatersrand: New universities in Mpumalanga and Northern Cape	-	-	-	-	-	-	150 000	500 000	1 000 000	-	1.4%

Personnel information

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

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
University Education																			
Salary level	76	4	67	28.8	0.4	80	33.9	0.4	86	40.5	0.5	89	43.6	0.5	89	46.4	0.5	3.6%	100.0%
1 - 6	10	4	14	1.2	0.1	14	1.7	0.1	16	2.0	0.1	16	2.1	0.1	16	2.2	0.1	4.6%	18.0%
7 - 10	31	-	24	7.4	0.3	31	8.9	0.3	30	9.2	0.3	30	9.9	0.3	30	10.5	0.4	-1.1%	35.2%
11 - 12	25	-	20	10.9	0.5	25	14.6	0.6	26	17.2	0.7	29	18.5	0.6	29	19.6	0.7	5.1%	31.7%
13 - 16	10	-	9	9.2	1.0	10	8.7	0.9	14	12.2	0.9	14	13.1	0.9	14	13.9	1.0	11.9%	15.1%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

In line with the strategic goal to increase the number of skilled youth by expanding access to education and training for the youth, the spending focus over the medium term will be based on transfer payments to higher education institutions in the *University Subsidies* subprogramme. These transfers are to accommodate the projected expanding university enrolment over the medium term. R2 billion of this allocation in 2013/14 will be allocated to universities for infrastructure development and an additional R1.7 billion over the medium term is allocated for capital expenditure for the new universities in Mpumalanga and Northern Cape.

A further R475 million is allocated over the medium term for technical work to establish the seats of learning, including environmental and economic impact assessments, and academic and space architecture at the two new universities. In addition to supporting the renewing of infrastructure and improving teaching services and academic programmes in higher education institutions, the transfers are intended to increase enrolment and graduation rates, particularly in areas of scarce and critical skills, such as engineering, and other science and technology related fields.

As part of the Cabinet approved reductions, the department will reduce spending by R2.2 million over the medium term. These reductions are to be effected in spending on items such as travel and subsistence, catering, and stationery and equipment.

The department provides loans and bursaries to support deserving poor students at universities and further education and training colleges through the National Student Financial Aid Scheme, which is reflected in spending in the *University - Academic Planning and Management* subprogramme. Government's commitment is set to increase from R5.1 billion in 2012/13 to R6.3 billion in 2015/16. As a result, the number of students enrolled in higher education institutions per year is expected to increase from 909 716 in 2012/13 to 988 888 in 2015/16. The number of graduates is also projected to increase from 167 807 to 200 315 over the medium term.

The number of personnel in this programme is expected to increase from 67 posts in 2011/12 to 89 posts by 2015/16, which includes provision for 4 interns. This increase is mainly due to the filling of critical vacant positions that resulted from the establishment of the department in April 2010. Over the medium term, the growth in expenditure on compensation of employees will mainly be for improved conditions of service.

Programme 4: Vocational and Continuing Education and Training

Objectives

- Ensure the continued relevance of further education and training college programmes by supporting the development of a diverse range of high quality and responsive vocational education and training qualifications and programmes over the MTEF period through consultation with relevant role players.
- Expand the institutional base for the provision of quality post-school education and training by registering new private education institutions and monitoring all the registered private further education and training colleges for compliance and performance each year.
- Improve the vocational qualification rate by increasing the year-on-year certification rate of further education and training college students in vocational programmes by at least 5 per cent from the 2011 average baseline of 36.2 per cent by 2015 by initiating and supporting interventions such as providing training and support to lecturers.
- Improve participation in vocational education for poor students by increasing the number of national curriculum (vocational) bursary recipients in colleges from 180 826 in 2012/13 to 245 655 in 2015/16.
- Improve the portability of students between colleges, industry and universities of technology by facilitating and supporting partnerships between these institutions over the medium term.

Subprogrammes

- *Programme Management: Vocational and Continuing Education and Training* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 6 in 2012/13.
- *Planning and Institutional Support* provides the framework, coordination and support to further education and training colleges for the efficient and effective management, governance and delivery of vocational and occupational programmes; manages the further education and training colleges conditional grant in all provinces; and regulates the provision of education and training by private education institutions offering qualifications in the further education and training band of the national qualifications framework. The bulk of this subprogramme's budget is used for transfers to the 50 further education and training colleges for their operational expenditure. This is done by means of a college subsidy transferred directly to colleges by the department (55.1 per cent of the subprogramme's total budget in 2013/14) and a further education and training college conditional grant (44.6 per cent of the subprogramme's total budget in 2013/14). The full allocation to colleges was previously part of the conditional grant, but the department will transfer the subsidy portion directly to colleges from 2013/14. This subprogramme had a staff complement of 44 in 2012/13.
- *Programmes and Qualifications* is discussed in more detail below.

Expenditure estimates

Table 17.11 Vocational and Continuing Education and Training

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Programme Management: Vocational and Continuing Education and Training	835	343	1 280	5 007	81.7%	-	3 921	4 183	4 436	-4.0%	0.1%
Planning and Institutional Support	3 165 459	3 818 754	4 390 775	4 864 036	15.4%	96.7%	5 473 215	5 814 691	6 139 485	8.1%	96.7%
Programmes and Qualifications	95 141	123 773	148 783	175 209	22.6%	3.2%	187 321	193 590	198 488	4.2%	3.3%
Total	3 261 435	3 942 870	4 540 838	5 044 252	15.6%	100.0%	5 664 457	6 012 464	6 342 409	7.9%	100.0%
Change to 2012 Budget estimate				94 052			136 017	174 565	235 967		

Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	Average growth rate (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average growth rate (%)
Current payments	102 053	138 531	164 994	198 235	24.8%	3.6%	207 685	215 430	221 731	3.8%	3.7%
Compensation of employees	66 860	96 462	116 040	145 393	29.6%	2.5%	152 157	159 071	164 717	4.2%	2.7%
Goods and services	35 193	42 069	48 954	52 842	14.5%	1.1%	55 528	56 359	57 014	2.6%	1.0%
of which:											
Administration fees	2	-	-	-	-100.0%	-	-	-	-	-	-
Advertising	121	26	100	35	-33.9%	-	44	47	4	-51.5%	-
Assets less than the capitalisation threshold	47	92	61	125	38.5%	-	94	65	101	-6.9%	-
Audit cost: External	-	6	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	301	1 379	2 204	878	42.9%	-	4 111	4 188	4 261	69.3%	0.1%
Communication	934	506	1 300	3 741	58.8%	-	788	814	836	-39.3%	-
Computer services	7 305	9 148	14 394	10 694	13.5%	0.2%	10 627	10 759	10 780	0.3%	0.2%
Consultants and professional services:	156	-	-	2 074	136.9%	-	44	45	45	-72.1%	-
Business and advisory services											
Contractors	273	20	31	35	-49.6%	-	-	10	12	-30.0%	-
Agency and support / outsourced services	71	44	13	232	48.4%	-	-	-	-	-100.0%	-
Fleet services (including government motor transport)	96	-	19	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	2	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	12	2	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other consumables	14	72	-	-	-100.0%	-	-	-	-	-	-
Inventory: Stationery and printing	5 158	8 923	10 235	4 457	-4.8%	0.2%	8 353	8 384	8 458	23.8%	0.1%
Operating leases	3 922	3 573	3 566	2 297	-16.3%	0.1%	5 440	5 506	5 552	34.2%	0.1%
Property payments	28	158	6	134	68.5%	-	20	22	21	-46.1%	-
Travel and subsistence	11 535	13 014	13 133	18 112	16.2%	0.3%	23 205	23 689	24 093	10.0%	0.4%
Training and development	-	-	5	-	-	-	-	-	-	-	-
Operating payments	4 543	4 970	2 395	3 268	-10.4%	0.1%	2 514	2 545	2 566	-7.7%	-
Venues and facilities	673	136	1 492	6 760	115.8%	0.1%	288	285	285	-65.2%	-
Transfers and subsidies	3 155 288	3 803 962	4 375 403	4 844 607	15.4%	96.4%	5 455 868	5 796 123	6 119 774	8.1%	96.3%
Provinces and municipalities	3 155 276	3 803 958	4 375 311	4 844 607	15.4%	96.4%	2 442 679	2 600 296	2 758 773	-17.1%	54.8%
Departmental agencies and accounts	1	-	2	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	3 013 189	3 195 827	3 361 001	-	41.5%
Households	11	4	90	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	4 003	377	441	1 410	-29.4%	-	904	911	904	-13.8%	-
Machinery and equipment	241	377	441	1 410	80.2%	-	904	911	904	-13.8%	-
Software and other intangible assets	3 762	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	91	-	-	-	-100.0%	-	-	-	-	-	-
Total	3 261 435	3 942 870	4 540 838	5 044 252	15.6%	100.0%	5 664 457	6 012 464	6 342 409	7.9%	100.0%
Proportion of total programme expenditure to vote expenditure	15.8%	16.6%	16.1%	16.0%			16.5%	16.3%	16.0%		

Details of transfers and subsidies

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	Average growth rate (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average growth rate (%)
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1	-	2	-	-100.0%	-	-	-	-	-	-
Claims against the state	1	-	2	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	-	-	-	-	-	-	3 013 189	3 195 827	3 361 001	-	41.5%
Further education and training colleges	-	-	-	-	-	-	3 013 189	3 195 827	3 361 001	-	41.5%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	3 155 276	3 803 958	4 375 311	4 844 607	15.4%	96.4%	2 442 679	2 600 296	2 758 773	-17.1%	54.8%
Further education and training colleges grant	3 155 276	3 803 958	4 375 311	4 844 607	15.4%	96.4%	2 442 679	2 600 296	2 758 773	-17.1%	54.8%
Households											
Social benefits											
Current	11	4	90	-	-100.0%	-	-	-	-	-	-
Employee social benefits	11	4	90	-	-100.0%	-	-	-	-	-	-

Personnel information

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

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
Vocational and Continuing Education and Training		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Salary level	196	38	178	55.6	0.3	233	65.7	0.3	228	71.5	0.3	228	76.8	0.3	228	81.7	0.4	-0.7%	100.0%
1 – 6	75	38	72	9.9	0.1	111	12.6	0.1	105	13.1	0.1	105	14.1	0.1	105	15.0	0.1	-1.8%	46.5%
7 – 10	75	–	67	19.1	0.3	76	21.0	0.3	77	24.8	0.3	77	26.7	0.3	77	28.4	0.4	0.4%	33.5%
11 – 12	32	–	27	15.0	0.6	32	15.9	0.5	33	22.4	0.7	33	24.1	0.7	33	25.6	0.8	1.0%	14.3%
13 – 16	14	–	12	11.6	1.0	14	16.2	1.2	13	11.2	0.9	13	11.9	0.9	13	12.7	1.0	-2.4%	5.8%

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

² Rand million.

³ As at 30 September 2012.

Expenditure trends

In line with the strategic goal to increase the number of skilled youth by expanding access to education and training for the youth, the spending focus over the medium term will be on transfers to further education and training colleges, either in the form of the further education and training colleges conditional grant or the college subsidies introduced in 2013/14. These subsidies are expected to increase from R3 billion in 2013/14 to R3.4 billion in 2015/16, while the conditional grant portion is expected to increase from R2.4 billion in 2013/14 to R2.8 billion in 2015/16. This projected growth in expenditure is to allow for an increase in enrolment at these colleges, in line with government's objective of making these colleges the primary sites for skills development. The additional funding increased the enrolment in further education and training colleges from 345 566 in 2010/11 to an estimated 550 000 in 2012/13. Over the medium term, enrolment is expected to increase to 1 million as the National Skills Fund and sector education and training authorities begin to make extensive use of these colleges for their skills development programmes as well.

As part of the Cabinet approved reductions, the department will reduce spending by R21.7 million over the medium term. These reductions will be effected in spending on items such as catering and travel and subsistence, mainly in the *Programmes and Qualifications* subprogramme.

The number of personnel in this programme is expected to increase from 178 in 2011/12 to 228 in 2015/16, which includes provision for 38 interns. This increase is mainly due to the filling of critical vacant positions that resulted from the establishment of the department in 2010, which also explains the growth in expenditure on current payments since 2009/10, as well as the growth in expenditure in the *Programme Management: Vocational and Continuing Education and Training* subprogramme. Over the medium term, the growth in expenditure on compensation of employees will mainly be for improved conditions of service.

Subprogramme: Programmes and Qualifications

This subprogramme develops and maintains high quality vocational education and training programmes, provides for implementing the student support services framework, provides leadership and support for training and developing lecturers, supports the education of post-school adults pursuing general education and training certificates and national senior certificate qualifications, and administers and manages the conduct of national assessments in the further education and training college and adult education and training sectors. Key ongoing outputs include providing national assessment instruments for recognised programmes offered at further education and training colleges, evaluating such programmes, as well as monitoring assessment processes conducted by further education and training colleges and adult education and training centres. The provision of national assessment instruments involves appointing exam panels and setting, printing and delivering question papers and site based assessment tasks to nationally accredited examination centres for further education and training colleges, and adult education and training centres. Question papers are provided for the nine examination cycles in an academic year. In 2012/13, R101.1 million was spent on these examination processes. Over the medium term, the focus will continue to be on increasing the certification rates of students in vocational programmes and delivering credible examinations at a cost of approximately R525.9 million.

Expenditure estimates

Table 17.13 Programmes and Qualifications

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Current payments	91 122	123 677	148 290	174 007	24.1%	98.9%	186 494	192 742	197 641	4.3%	99.5%
Compensation of employees	57 182	83 302	101 905	126 495	30.3%	67.9%	132 650	138 133	142 436	4.0%	71.5%
Goods and services	33 940	40 375	46 385	47 512	11.9%	31.0%	53 844	54 609	55 205	5.1%	28.0%
of which:											
Administration fees	2	–	–	–	-100.0%	–	–	–	–	–	–
Advertising	42	26	–	20	-21.9%	–	40	42	–	-100.0%	–
Assets less than the capitalisation threshold	39	60	48	36	-2.6%	–	73	49	84	32.6%	–
Catering: Departmental activities	250	1 309	2 139	815	48.3%	0.8%	4 015	4 083	4 148	72.0%	1.7%
Communication	756	283	1 019	3 416	65.3%	1.0%	605	624	641	-42.7%	0.7%
Computer services	7 278	9 148	14 392	10 689	13.7%	7.6%	10 627	10 759	10 780	0.3%	5.7%
Consultants and professional services: Business and advisory services	156	–	–	74	-22.0%	–	44	45	45	-15.3%	–
Contractors	265	20	30	32	-50.6%	0.1%	–	10	12	-27.9%	–
Agency and support / outsourced services	–	44	13	232	–	0.1%	–	–	–	-100.0%	–
Fleet services (including government motor transport)	96	–	19	–	-100.0%	–	–	–	–	–	–
Inventory: Learner and teacher support material	2	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Materials and supplies	12	2	–	–	-100.0%	–	–	–	–	–	–
Inventory: Other consumables	14	66	–	–	-100.0%	–	–	–	–	–	–
Inventory: Stationery and printing	4 955	8 626	10 175	4 262	-4.9%	5.2%	8 180	8 196	8 259	24.7%	3.8%
Operating leases	3 863	3 551	3 531	2 233	-16.7%	2.4%	5 370	5 431	5 472	34.8%	2.5%
Property payments	21	147	5	58	40.3%	–	11	15	14	-37.7%	–
Travel and subsistence	11 111	12 076	11 152	15 835	12.5%	9.2%	22 187	22 620	22 987	13.2%	11.1%
Training and development	–	–	4	–	–	–	–	–	–	–	–
Operating payments	4 537	4 905	2 390	3 261	-10.4%	2.8%	2 511	2 541	2 562	-7.7%	1.4%
Venues and facilities	541	112	1 468	6 549	129.6%	1.6%	181	194	201	-68.7%	0.9%
Transfers and subsidies	12	4	90	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts	1	–	–	–	-100.0%	–	–	–	–	–	–
Households	11	4	90	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	3 916	92	403	1 202	-32.5%	1.0%	827	848	847	-11.0%	0.5%
Machinery and equipment	154	92	403	1 202	98.4%	0.3%	827	848	847	-11.0%	0.5%
Software and other intangible assets	3 762	–	–	–	-100.0%	0.7%	–	–	–	–	–
Payments for financial assets	91	–	–	–	-100.0%	–	–	–	–	–	–
Total	95 141	123 773	148 783	175 209	22.6%	100.0%	187 321	193 590	198 488	4.2%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	2.9%	3.1%	3.3%	3.5%			3.3%	3.2%	3.1%		

Personnel information

Table 17.14 Details of approved establishment and personnel numbers according to salary level¹

Programmes and Qualifications	Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2011/12	Unit Cost	2012/13	2012/13	Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
Salary level	158	26	141	42.9	0.3	183	47.3	0.3	180	52.0	0.3	180	55.9	0.3	180	59.4	0.3	-0.5%	100.0%
1 – 6	70	26	64	8.9	0.1	94	11.5	0.1	89	11.5	0.1	89	12.4	0.1	89	13.2	0.1	-1.8%	49.9%
7 – 10	62	–	52	15.2	0.3	63	18.4	0.3	64	20.4	0.3	64	22.0	0.3	64	23.4	0.4	0.5%	35.3%
11 – 12	18	–	17	9.8	0.6	18	10.8	0.6	19	13.5	0.7	19	14.6	0.8	19	15.5	0.8	1.8%	10.4%
13 – 16	8	–	8	9.1	1.1	8	6.6	0.8	8	6.5	0.8	8	6.9	0.9	8	7.4	0.9	–	4.4%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on the examination and assessment function to address the increased volume of question papers and tasks to be set, as well as the number of scripts to be marked. These

allocations ensure the sustainable, efficient and effective delivery of examination services. Additional funds for these activities are the main reason for the expenditure increases between 2009/10 and 2012/13 and the expected increases over the medium term. More than 58 per cent of the total allocation for compensation of employees in this subprogramme relates to the remuneration of examiners and moderators.

As part of the Cabinet approved reductions, the department will reduce spending by R21.5 million over the medium term. These reductions are to be effected in spending on items such as catering, and travel and subsistence, where efficiency measures will be implemented.

The number of personnel in this subprogramme is expected to increase from 141 posts in 2011/12 to 180 posts in 2015/16, including a provision for 21 interns. This increase is mainly due to the filling of critical vacant positions that resulted from the establishment of the department in April 2010. Over the medium term, the growth in expenditure on compensation of employees will mainly be to fund the growth in personnel numbers.

Programme 5: Skills Development

Objectives

- Promote quality learning at work and for work by:
 - ensuring that the number of new artisan learners registered for training increases from 24 378 in 2011/12 to 28 000 in 2015/16
 - increasing the number of competent artisans entering the labour market from 13 168 in 2011/12 to 14 000 in 2015/16
 - facilitating professional placements, work integrated learning, apprenticeships, learnerships and internships.
- Promote the alignment of skills development outputs with the needs of the workplace and the broader growth needs of the country's economy by approving the strategic plans of the sector education and training authorities, and ensuring that they are in line with the sector skills plans over the MTEF period.

Subprogrammes

- *Programme Management: Skills Development* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 4 in 2012/13.
- *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. A key ongoing activity is the conducting of trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments. In 2012/13, 7 000 tests were conducted at a cost of R50.2 million. This subprogramme had a staff complement of 253 in 2012/13.
- *National Skills Development Services* manages projects identified in the national skills development strategy, and advises the minister on national skills development policy and strategy. Over the medium term, a key ongoing activity will be monitoring the implementation of the third national skills development strategy, which charts the way forward for skills development, at a projected cost of R6.7 million. This subprogramme had a staff complement of 13 in 2012/13.
- *Quality Development and Promotion* transfers funds to the Quality Council for Trades and Occupations as a contribution to the council's operations. This subprogramme's total budget is transferred in full to the council. This subprogramme had no staff complement in 2012/13.

Expenditure estimates

Table 17.15 Skills Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Programme Management: Skills Development	–	2 655	4 250	2 098	–	1.8%	3 462	3 693	3 914	23.1%	3.0%
SETA Coordination	75 662	68 312	65 363	71 162	-2.0%	57.1%	73 579	78 585	83 013	5.3%	70.0%
National Skills Development Services	60 574	58 762	25 523	7 087	-51.1%	30.9%	6 808	7 227	7 598	2.3%	6.6%
Quality Development and Promotion	1 282	1 629	26 889	20 352	151.3%	10.2%	21 747	23 167	24 348	6.2%	20.5%
Total	137 518	131 358	122 025	100 699	-9.9%	100.0%	105 596	112 672	118 873	5.7%	100.0%
Change to 2012 Budget estimate				631			(1 840)	(1 684)	(733)		

Economic classification

	79 868	79 145	74 713	79 830	–	63.8%	82 612	88 359	93 345	5.4%	78.6%
Current payments											
Compensation of employees	57 485	65 069	63 224	65 787	4.6%	51.2%	69 807	74 985	79 552	6.5%	66.3%
Goods and services	22 383	14 076	11 489	14 043	-14.4%	12.6%	12 805	13 374	13 793	-0.6%	12.3%
of which:											
Administration fees	3	–	–	–	-100.0%	–	–	–	–	–	–
Advertising	9	114	63	10	3.6%	–	50	50	55	76.5%	–
Assets less than the capitalisation threshold	394	64	129	3 411	105.3%	0.8%	2 406	2 644	2 873	-5.6%	2.6%
Audit cost: External	516	–	–	–	-100.0%	0.1%	–	–	–	–	–
Catering: Departmental activities	267	359	177	238	-3.8%	0.2%	125	143	155	-13.3%	0.2%
Communication	881	679	1 205	995	4.1%	0.8%	973	1 049	1 103	3.5%	0.9%
Computer services	486	309	17	97	-41.6%	0.2%	43	65	70	-10.3%	0.1%
Consultants and professional services: Business and advisory services	1 295	5	812	623	-21.6%	0.6%	452	458	462	-9.5%	0.5%
Contractors	194	278	117	22	-51.6%	0.1%	225	242	237	120.9%	0.2%
Agency and support / outsourced services	79	1 339	998	138	20.4%	0.5%	317	315	115	-5.9%	0.2%
Entertainment	23	–	–	–	-100.0%	–	–	–	–	–	–
Fleet services (including government motor transport)	–	–	–	1	–	–	–	–	–	-100.0%	–
Inventory: Food and food supplies	3 508	1 209	642	235	-59.4%	1.1%	600	650	–	-100.0%	0.3%
Inventory: Fuel, oil and gas	248	83	68	94	-27.6%	0.1%	90	100	–	-100.0%	0.1%
Inventory: Learner and teacher support material	–	1	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	4 428	3 358	1 612	2 354	-19.0%	2.4%	806	1 000	–	-100.0%	1.0%
Inventory: Medical supplies	36	–	10	7	-42.1%	–	12	2	–	-100.0%	–
Inventory: Other consumables	1 302	528	425	471	-28.7%	0.6%	400	300	–	-100.0%	0.3%
Inventory: Stationery and printing	1 727	923	1 196	438	-36.7%	0.9%	2 394	2 269	4 403	115.8%	2.2%
Operating leases	467	479	429	355	-8.7%	0.4%	887	975	1 058	43.9%	0.7%
Property payments	1 309	596	138	584	-23.6%	0.5%	277	279	276	-22.1%	0.3%
Transport provided: Departmental activity	–	–	–	–	–	–	–	–	10	–	–
Travel and subsistence	2 549	2 888	3 196	3 510	11.3%	2.5%	2 486	2 564	2 726	-8.1%	2.6%
Training and development	903	10	5	–	-100.0%	0.2%	10	10	–	–	–
Operating payments	371	104	84	70	-42.6%	0.1%	112	109	81	5.0%	0.1%
Venues and facilities	1 388	750	166	390	-34.5%	0.5%	140	150	169	-24.3%	0.2%
Transfers and subsidies	49 030	51 848	46 869	20 417	-25.3%	34.2%	21 747	23 167	24 348	6.0%	20.5%
Departmental agencies and accounts	48 951	51 731	46 829	20 352	-25.4%	34.1%	21 747	23 167	24 348	6.2%	20.5%
Households	79	117	40	65	-6.3%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	8 620	365	443	452	-62.6%	2.0%	1 237	1 146	1 180	37.7%	0.9%
Buildings and other fixed structures	1 862	–	–	–	-100.0%	0.4%	–	–	–	–	–
Machinery and equipment	6 758	365	443	452	-59.4%	1.6%	1 237	1 146	1 180	37.7%	0.9%
Total	137 518	131 358	122 025	100 699	-9.9%	100.0%	105 596	112 672	118 873	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.6%	0.4%	0.3%			0.3%	0.3%	0.3%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
	48 951	51 731	46 829	20 352	-25.4%	34.1%	21 747	23 167	24 348	6.2%	20.5%
Current											
Claims against the state	–	–	6	–	–	–	–	–	–	–	–
National Skills Fund	48 951	51 731	19 934	–	-100.0%	24.5%	–	–	–	–	–
Quality Council for Trades and Occupations	–	–	26 889	20 352	–	9.6%	21 747	23 167	24 348	6.2%	20.5%
Households											
Social benefits											
Current	79	117	40	65	-6.3%	0.1%	–	–	–	-100.0%	–
Employee social benefits	79	117	40	65	-6.3%	0.1%	–	–	–	-100.0%	–

Personnel information

Table 17.16 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Skills Development																			
Salary level	256	13	307	63.2	0.2	268	61.9	0.2	275	68.8	0.3	275	73.9	0.3	275	78.7	0.3	0.9%	100.0%
1 – 6	151	13	194	22.5	0.1	164	20.6	0.1	165	21.8	0.1	165	23.4	0.1	165	24.9	0.2	0.2%	60.3%
7 – 10	83	–	91	24.5	0.3	82	26.5	0.3	87	30.1	0.3	87	32.4	0.4	87	34.4	0.4	2.0%	31.4%
11 – 12	13	–	12	8.4	0.7	13	7.4	0.6	13	8.1	0.6	13	8.7	0.7	13	9.2	0.7	–	4.8%
13 – 16	9	–	10	7.9	0.8	9	7.3	0.8	10	8.9	0.9	10	9.5	1.0	10	10.1	1.0	3.6%	3.6%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on supporting the implementation of the national skills development strategy at the sectoral level by establishing and managing the performance of service level agreements with sector education and training authorities, together with funding trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments and transfers to the Quality Council for Trades and Occupations.

Over the medium term, expenditure is expected to increase to accommodate the provision for improved conditions of service and inflation adjustments, and will allow the number of artisans found competent in trade tests to increase to 14 000 by 2015/16 and the number of artisan learners registered for training to increase from 24 378 in 2011/12 to 28 000 in 2015/16.

Between 2009/10 and 2012/13, expenditure decreased mainly because of the cessation of the department's contribution to the National Skills Fund in the *National Skills Development Services* subprogramme as from 2012/13. These funds have been reprioritised to allow the department to fill critical vacant posts, mainly in the *Administration* programme. Spending increases in the *Quality Development and Promotion* subprogramme from 2009/10 to 2011/12 are due to the establishment of the Quality Council of Trades and Occupations in this period.

As part of the Cabinet approved budget reductions, the department will reduce spending by R3.9 million over the medium term. These reductions are to be effected in spending on items such as travel and subsistence, where efficiency measures will be implemented.

The number of personnel in this programme is expected to increase from 268 in 2012/13 to 275 in 2015/16, including a provision for 10 interns. This increase is mainly due to additional funding for the department to establish full functionality. Over the medium term, the growth in expenditure on compensation of employees is mainly to fund the growth in personnel numbers.

Public entities and other agencies

National Skills Fund

Mandate and goals

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

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

- advance the human resources development strategy, decided on in consultation with the Human Resource Development Council of South Africa
- advance projects identified by the minister after consultation with the National Skills Authority
- advance projects that are aligned with the national skills development strategy and that support key government priorities such as the national development plan, the new growth path, the industrial policy action plan, rural development, skills development to support the green economy, and skills development in education and health.

Selected performance indicators

Table 17.17 National Skills Fund

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of projects supported by the National Skills Fund per year	Government priorities for the national skills development strategy	-1	-1	215	262	350	400	90
Number of Learners trained by the National Skills Fund projects per year	Government priorities for the national skills development strategy	-1	-1	37 793	32 179	40 000	45 000	50 000

1. These indicators are new, relating to the third national skills development strategy, hence they have no actual outcomes between 2009/10 and 2010/11.

Programmes/activities/objectives

Table 17.18 National Skills Fund

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Operations	82 364	72 052	82 674	164 513	25.9%	9.1%	207 631	217 518	227 347	11.4%	6.2%
Second national skills development strategy	476 429	564 373	156 557	330 000	-11.5%	48.4%	-	-	-	-100.0%	1.9%
Human Resource Development Council of South Africa	-	-	-	55 226	-	0.3%	62 501	66 490	70 359	8.4%	1.9%
National Skills Authority: Ministerial Government priorities for the third national skills development strategy	-	-	2 922	55 612	-	0.4%	62 937	66 954	70 850	8.4%	1.9%
Director general priorities	-	-	366 726	2 533 333	-	21.9%	2 000 000	2 500 000	2 625 000	1.2%	71.7%
Skills infrastructure	-	-	706 045	1 070 000	-	19.7%	338 137	360 646	378 239	-29.3%	14.9%
	-	-	1 068	42 553	-	0.3%	45 269	48 159	50 961	6.2%	1.4%
Total expense	558 793	636 425	1 315 992	4 251 237	96.7%	100.0%	2 716 475	3 259 767	3 422 756	- 7.0%	100.0%

Expenditure estimates

Table 17.19 National Skills Fund

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	384 039	386 114	418 321	378 182	-0.5%	15.8%	398 982	419 540	439 770	5.2%	13.6%
Other non-tax revenue	384 039	386 114	418 321	378 182	-0.5%	15.8%	398 982	419 540	439 770	5.2%	13.6%
Transfers received	1 612 062	1 732 871	3 195 287	2 280 000	12.2%	84.2%	2 480 605	2 708 805	2 963 406	9.1%	86.4%
Total revenue	1 996 101	2 118 985	3 613 608	2 658 182	10.0%	100.0%	2 879 587	3 128 345	3 403 176	8.6%	100.0%
Expenses											
Current expenses	82 364	72 052	82 674	164 513	25.9%	9.1%	207 631	217 518	227 347	11.4%	6.2%
Compensation of employees	13 854	12 892	14 051	19 836	12.7%	1.5%	46 998	49 301	51 569	37.5%	1.3%
Goods and services	68 510	59 160	68 623	144 677	28.3%	7.5%	160 633	168 217	175 778	6.7%	4.9%
Transfers and subsidies	476 429	564 373	1 233 318	4 086 724	104.7%	90.9%	2 508 844	3 042 249	3 195 409	-7.9%	93.8%
Total expenses	558 793	636 425	1 315 992	4 251 237	96.7%	100.0%	2 716 475	3 259 767	3 422 756	-7.0%	100.0%
Surplus/(Deficit)	1 437 308	1 482 560	2 297 616	(1 593 055)	-203.5%		163 112	(131 422)	(19 580)	-76.9%	

Personnel information

Table 17.20 National Skills Fund

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/ total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	62	10	-	-	-	52	11.9	0.2	138	28.2	0.2	138	29.6	0.2	138	30.9	0.2	38.4%	100.0%
1-6	6	-	-	-	-	6	0.5	0.1	15	1.2	0.1	15	1.2	0.1	15	1.3	0.1	35.7%	11.0%
7-10	39	9	-	-	-	30	4.8	0.2	98	16.9	0.2	98	17.7	0.2	98	18.6	0.2	48.4%	67.7%
11-12	12	1	-	-	-	11	4.3	0.4	20	7.8	0.4	20	8.2	0.4	20	8.5	0.4	22.1%	16.2%
13-16	5	-	-	-	-	5	2.3	0.5	5	2.3	0.5	5	2.5	0.5	5	2.6	0.5	-	5.1%

1. Rand million.

Expenditure trends

The skills development levy collected by the South African Revenue Service and transferred to the National Skills Fund as direct charges against the National Revenue Fund accounts for 86.8 per cent of total revenue over the medium term. Revenue is expected to increase between 2012/13 and 2015/16 in line with the projected increased receipts of the skills development levy.

The spending focus over the medium term will be on the implementation of the third national skills development strategy, through which more than 800 projects will be supported and 135 000 learners trained.

Expenditure increased significantly between 2009/10 and 2012/13, mainly due to payments for skills development projects aligned with the second national skills development strategy and the implementation of the third national skills development strategy. Projects such as providing training opportunities linked to the expanded public works programme for 100 000 unemployed people accounts for R156.6 million spent on the second national skills development strategy in 2011/12.

In 2012/13, expenditure began to shift to the third national skills development strategy, where R2.5 billion was spent on government priorities including the new growth path and the industrial policy action plan, and projects on rural development, education and health, justice and crime prevention, cooperatives, small enterprises, non-governmental organisations, community training initiatives, and public sector capacity. In addition, R820 million was spent on director general priority projects like worker education, skills system capacity building, the training layoff scheme, capacity building of academics, research and development, bursaries, and projects with the Department of Higher Education and Training. Spending over the medium term is also expected to increase as the fund continues with projects implemented under the third national skills development strategy.

Between 2009/10 and 2012/13, the increased spending on compensation of employees was mainly due to new appointments made with the establishment of provincial offices in 2012 to broaden the fund's presence across South Africa. Spending on compensation of employees is expected to continue to increase over the medium term as a result of the listing of the National Skills Fund as a schedule 3A public entity from 1 April 2012. The listing will result in the fund having to establish certain functions previously performed by the department, such as human resources, supply chain management and IT.

The entity has a budget of R8.6 million for consultants in 2012/13. Consultants are used for accounting work, in particular to convert the cash based system to an accrual based system following the establishment of the fund as an entity independent of the department, as well as the internal audit function.

The projected deficits in the current year and over the medium term are due to an increase in the rollout of skills programmes. The fund has adequate cash and cash reserves in 2012/13 and over the medium term to fund these projected deficits.

The fund has implemented cost saving measures expected to amount to R630 000 over the medium term, including reducing travel and accommodation costs, limiting the number of participants attending workshops and reducing spending on advertising.

As at 30 September 2012, the fund had an approved establishment of 62 and 78 additional posts, all of which were funded. These were filled by January 2013 in line with the establishment of the fund as a schedule 3A public entity.

National Student Financial Aid Scheme

Mandate and goals

The National Student Financial Aid Scheme was established in terms of the National Student Financial Aid Scheme Act (1999) to provide for the granting of loans and bursaries to eligible students at public higher education institutions and for the administration of such loans and bursaries; and to provide for the recovery of loans.

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

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

Selected performance indicators

Table 17.21 National Student Financial Aid Scheme

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of students assisted in higher education per year	Student centred financial aid	135 586	148 734	198 750	288 188	417 872	605 914	642 269
Percentage of courses passed by loan recipients	Student centred financial aid	74%	75%	75%	75%	75%	75%	75%
Funds recovered from previous loan recipients per year (R thousand)	Administration	R636 322	R637 782	R650 000	R842 000	R931 639	R1 024 803	R1 086 291
Total number of Funza Lushaka bursary recipients	Student centred financial aid	9 190	10 074	8 733	11 455	14 500	12 500	12 500
Total number of further education and training bursary recipients	Student centred financial aid	55 173	61 703	108 810	180 826	222 817	233 958	245 655

Programmes/activities/objectives

Table 17.22 National Student Financial Aid Scheme

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Administration	24 645	32 302	36 699	124 822	71.7%	1.2%	98 301	50 848	52 236	-25.2%	1.3%
Student centred financial aid	2 671 372	3 083 445	4 720 921	5 499 462	27.2%	98.8%	6 031 983	6 397 532	6 645 813	6.5%	98.7%
Total expense	2 696 017	3 115 747	4 757 620	5 624 284	27.8%	100.0%	6 130 284	6 448 380	6 698 049	6.0%	100.0%

Expenditure estimates

Table 17.23 National Student Financial Aid Scheme

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	546 524	575 220	440 104	655 738	6.3%	12.5%	708 186	722 952	766 329	5.3%	7.9%
Sale of goods and services other than capital assets	-	-	-	-	-	-	19 661	-	-	-	0.1%
of which:											
Administrative fees	-	-	-	-	-	-	19 661	-	-	-	0.1%
Other non-tax revenue	546 524	575 220	440 104	655 738	6.3%	12.5%	688 524	722 952	766 329	5.3%	7.9%
Transfers received	2 569 138	2 857 493	5 362 097	7 446 343	42.6%	87.5%	8 142 377	8 622 131	8 977 250	6.4%	92.1%
Total revenue	3 115 662	3 432 713	5 802 201	8 102 081	37.5%	100.0%	8 850 563	9 345 082	9 743 579	6.3%	100.0%

Table 17.23 National Student Financial Aid Scheme (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	R thousand													
Expenses														
Current expenses	1 107 899	1 249 790	1 841 532	162 683	-47.2%	30.7%	129 578	92 316	95 912	-16.1%	2.0%			
Compensation of employees	18 734	23 837	28 563	39 656	28.4%	0.7%	52 334	43 175	47 036	5.9%	0.7%			
Goods and services	1 085 975	1 224 676	1 810 889	118 592	-52.2%	29.9%	72 616	45 578	45 099	-27.6%	1.2%			
Depreciation	3 188	1 274	2 078	4 435	11.6%	0.1%	4 628	3 563	3 777	-5.2%	0.1%			
Interest, dividends and rent on land	2	3	2	-	-100.0%	0.0%	-	-	-	-	-			
Transfers and subsidies	1 588 118	1 865 957	2 916 088	5 461 601	50.9%	69.3%	6 000 706	6 356 064	6 602 137	6.5%	98.0%			
Total expenses	2 696 017	3 115 747	4 757 620	5 624 284	27.8%	100.0%	6 130 284	6 448 380	6 698 049	6.0%	100.0%			
Surplus/(Deficit)	419 645	316 966	1 044 581	2 477 797	80.7%		2 720 279	2 896 702	3 045 530	7.1%				

Personnel information

Table 17.24 National Student Financial Aid Scheme

Post status estimated for 31 March 2013	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	184	33	163	20.9	0.1	151	28.7	0.2	174	38.0	0.2	137	31.3	0.2	147	34.1	0.2	-0.9%	100.0%
1 - 6	114	15	119	9.3	0.1	99	9.8	0.1	114	12.3	0.1	79	9.9	0.1	89	10.6	0.1	-3.5%	62.3%
7 - 10	14	1	12	1.5	0.1	13	2.1	0.2	14	2.3	0.2	14	2.4	0.2	14	2.5	0.2	2.5%	9.1%
11 - 12	38	13	19	4.2	0.2	25	8.6	0.3	28	11.2	0.4	25	7.7	0.3	25	8.4	0.3	-	17.0%
13 - 16	18	4	13	5.9	0.5	14	8.2	0.6	18	12.1	0.7	19	11.3	0.6	19	12.5	0.7	10.7%	11.6%

1. Rand million.

Expenditure trends

The National Student Financial Aid Scheme generates revenue mainly from transfers received from the Department of Higher Education and Training. It also receives funds from the Department of Basic Education for the Funza Lushaka bursaries for prospective teachers and from the Department of Social Development for bursaries for prospective social workers. Over the medium term, the projected rise in revenue will increase the number of students in higher education that the scheme is able to assist, from 288 188 in 2012/13 to 642 269 in 2015/16, and increase the number of further education and training college bursary recipients per year from 180 826 in 2012/13 to 245 655 in 2015/16.

The spending focus over the medium term will continue to be on the provision of loans and bursaries to higher education and further education and training college students. The objective is to improve access to education and training opportunities for disadvantaged students and allow increases in enrolment in higher education and further education and training colleges.

The increases in expenditure since 2009/10 are mainly due to increased transfers for university and further education and training college loans and bursaries. The increased expenditure in goods and services in 2010/11 and 2011/12 was due to downward revisions to the fair value of the loan book resulting from an actuarial revaluation. The increasing number of student loans awarded is recognised directly on the scheme's balance sheet, but not recorded as expenditure in the year they are granted. This will result in a significant accounting surplus each year, despite the funds having been used for their allocated purpose.

Over the MTEF period, expenditure on compensation of employees is expected to increase mainly due to the necessary organisational restructuring of the scheme to ensure more efficient administration of the increased loans and bursaries being administered by the scheme. Consultants are engaged on once-off organisational change and support projects if required and are not used to fill vacant posts. R7.4 million was spent on

consultants in 2012/13, which is equivalent to 18.7 per cent of the budget for compensation of employees. Consultants are mainly used for business development and management services.

The organisation has identified a number of interventions that will increase its cost effectiveness. These include an improved human resources strategy, new IT infrastructure, a student centred operating model, and an enhanced credit management and loan recovery strategy. These measures will improve the efficiency of internal operations and increase the efficiency of the administration of loans and bursaries over the medium term.

The improved workflow management technology and processes and the uploading of student data directly from institutions to a central server will lead to reductions in funds used for temporary staff and outsourced services. It is also anticipated that more effective tracing of debtors will lead to reductions in running costs and increased funds from loan recovery. These measures are projected to yield savings of R9 million over the medium term.

As at the 30 September 2012, the scheme had an establishment of 184 posts, all of which were funded. As at 30 September 2012, 151 posts were filled. Of the 33 funded vacancies, which are in the process of being filled, 4 were in executive management, 13 in middle management, 1 in the skilled category and 15 in the semi-skilled category.

Sector education and training authorities

Mandate and goals

The sector education and training authorities are constituted by the Skills Development Act (1998), which provides the mandate for the authorities to implement the national, sector and workplace strategies. The strategies, which are integrated into the national qualifications framework, are designed to develop and improve the skills of the South African workforce, provide the learnerships that lead to a recognised occupational qualification, and provide the financing for skills development through a levy financing scheme and the National Skills Fund.

The authorities' strategic goals over the medium term are to:

- establish a credible institutional mechanism for skills planning
- increase access to occupationally directed programmes
- promote the growth of a public further education and training college system that is responsive to sector, local, regional and national skills needs and priorities
- address the low level of youth and adult language and numeracy skills to enable subsequent higher level training
- encourage and support cooperatives, small enterprises and community training initiatives
- increase capacity in the public sector for improved service delivery and thus contribute to the building of the developmental state
- provide career and vocational guidance.

Expenditure estimates

Table 17.25 Sector Education and Training Authorities

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	519 920	454 562	556 590	654 962	8.0%	6.8%	562 325	337 435	422 651	-13.6%	4.6%
Sale of goods and services other than capital assets	491	167	556	–	-100.0%	0.0%	–	–	–	–	–
of which:											
Sales by market establishment	491	167	556	–	-100.0%	0.0%	–	–	–	–	–
Other non-tax revenue	519 429	454 395	556 034	654 962	8.0%	6.8%	562 325	337 435	422 651	-13.6%	4.6%
Transfers received	6 173 902	6 572 664	8 236 107	9 251 344	14.4%	93.2%	10 050 911	10 972 116	11 962 435	8.9%	95.4%
Total revenue	6 693 822	7 027 226	8 792 697	9 906 306	14.0%	100.0%	10 613 236	11 309 551	12 385 086	7.7%	100.0%
Expenses											
Current expenses	754 258	903 563	1 018 439	1 305 191	20.1%	13.2%	1 255 856	1 327 086	1 382 506	1.9%	14.3%
Compensation of employees	398 393	473 366	516 096	610 599	15.3%	6.7%	644 350	674 952	709 182	5.1%	7.2%
Goods and services	334 955	411 161	482 242	672 229	26.1%	6.2%	591 356	633 693	651 653	-1.0%	6.9%
Depreciation	20 494	18 242	19 842	22 010	2.4%	0.3%	19 606	18 029	21 390	-0.9%	0.2%
Interest, dividends and rent on land	416	794	259	353	-5.3%	0.0%	544	411	281	-7.3%	0.0%
Transfers and subsidies	5 776 352	5 817 964	6 345 500	8 153 829	12.2%	86.8%	7 582 945	7 765 514	8 146 539	-0.0%	85.7%
Total expenses	6 530 610	6 721 527	7 363 939	9 459 020	13.1%	100.0%	8 838 800	9 092 600	9 529 044	0.2%	100.0%
Surplus/(Deficit)	163 212	305 699	1 428 758	447 285	39.9%		1 774 436	2 216 951	2 856 041	85.5%	

Expenditure trends

The skills development levy collected by the South African Revenue Service and transferred to the sector education and training authorities accounts for 93.4 per cent of total revenue over the medium term. Other non-tax revenue fluctuates over the seven-year period due to fluctuations in interest earned on investments and the use of investments to fund training programmes.

The increases in spending over the seven-year period are driven mainly by payments relating to skills development programmes through the mandatory and discretionary grants.

Spending on compensation of employees is projected to grow over the medium term due to the filling of additional posts linked to the implementation of the third national skills development strategy, while spending on goods and services is expected to increase, at an average annual rate of 14.2 per cent, due to increased spending on audit costs, communication, travel and subsistence, and advertising related to marketing the revised national skills development strategy.

The surpluses recorded over the seven-year period are caused by levies collected in each year generally not being spent immediately but rather committed to multi-year projects.

Cost efficiency improved with regard to administration costs. Savings were achieved by the authorities in two ways: facilities provided by further education and training colleges and universities were used to research sector skills plans; and the same colleges and universities allowed their venues to be used for the provision of training, thus saving on the cost of hiring private venues.

Council on Higher Education

Mandate and goals

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

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

- promote quality and quality assurance in higher education through the Higher Education Quality Committee, including auditing the quality assurance mechanisms of higher education institutions, and accrediting the programmes that they offer
- develop and manage the higher education qualifications sub-framework, including the development of qualifications for the higher education sector and the setting of qualifications standards

- develop and implement policy and criteria for the development, registration, publication and assessment of qualifications; and the recognition of prior learning and credit accumulation and transfer in line with the policy and criteria set by the South African Qualifications Authority.

Selected performance indicators

Table 17.26 Council on Higher Education

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of pilots for development of standards per year ¹	Standards development	- ¹	- ¹	- ¹	7	10	12	12
Number of institutional audits conducted per year	Institutional audits	2	2	1	3	4	6	0 ²
Percentage (and number) of candidacy phase programmes recommended for approval by the Higher Education Quality Committee per year	Accreditation	97% (146)	97% (288)	97% (353)	100% (380)	100%	100%	100%

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

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

Programmes/activities/objectives

Table 17.27 Council on Higher Education

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Office of the chief executive	2 951	3 038	2 669	4 383	14.1%	8.6%	4 697	5 038	4 721	2.5%	10.0%
Corporate services	14 663	13 827	12 749	12 504	-5.2%	36.2%	12 849	14 070	14 765	5.7%	28.8%
Monitoring and evaluation	4 463	4 225	2 507	2 633	-16.1%	9.4%	2 733	2 914	2 989	4.3%	6.0%
ED: Quality assurance	3 023	3 167	3 726	3 990	9.7%	9.2%	4 014	4 017	3 971	-0.2%	8.5%
Institutional audits	3 699	5 605	3 823	4 752	8.7%	11.9%	4 827	5 430	5 396	4.3%	10.9%
Accreditation	4 306	5 687	7 725	10 382	34.1%	18.4%	10 764	11 382	10 847	1.5%	23.1%
National reviews	69	15	598	2 900	247.7%	2.1%	2 989	2 509	2 580	-3.8%	5.9%
Standard development	-	55	960	3 202	-	2.5%	3 148	3 198	3 252	0.5%	6.8%
Quality promotion and capacity development	1 928	574	-	-	-100.0%	1.8%	-	-	-	-	-
Total expense	35 102	36 193	34 757	44 746	8.4%	100.0%	46 021	48 558	48 521	2.7%	100.0%

Expenditure estimates

Table 17.28 Council on Higher Education

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Revenue											
Non-tax revenue	1 269	2 734	3 238	1 933	15.1%	5.7%	2 166	2 150	2 255	5.3%	4.6%
Sale of goods and services other than capital assets	620	1 912	2 507	1 289	27.6%	3.9%	1 641	1 900	1 993	15.6%	3.7%
of which:											
Sales by market establishment	620	1 912	2 507	1 289	27.6%	3.9%	1 641	1 900	1 993	15.6%	3.7%
Other non-tax revenue	649	822	731	644	-0.3%	1.8%	525	250	262	-25.9%	0.9%
Transfers received	32 976	36 140	37 762	43 019	9.3%	94.3%	43 438	45 523	44 878	1.4%	95.4%
Total revenue	34 245	38 874	41 000	44 952	9.5%	100.0%	45 604	47 673	47 133	1.6%	100.0%

Table 17.28 Council on Higher Education (continued)

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand												
Expenses												
Current expenses	35 102	36 193	34 757	44 745	8.4%	100.0%	46 021	48 558	48 521	2.7%	100.0%	
Compensation of employees	15 350	16 098	17 979	24 097	16.2%	48.4%	25 876	27 313	28 952	6.3%	56.5%	
Goods and services	18 173	18 344	15 114	19 043	1.6%	47.1%	18 740	19 808	18 129	-1.6%	40.4%	
Depreciation	1 522	1 700	1 623	1 563	0.9%	4.3%	1 387	1 387	1 387	-3.9%	3.1%	
Interest, dividends and rent on land	57	51	41	42	-9.7%	0.1%	18	50	53	8.1%	0.1%	
Total expenses	35 102	36 193	34 757	44 745	8.4%	100.0%	46 021	48 558	48 521	2.7%	100.0%	
Surplus/(Deficit)	(857)	2 681	6 243	207	-162.3%		(417)	(885)	(1 388)	-288.6%		

Personnel information

Table 17.29 Council on Higher Education

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
	54	-		46	18.0	0.4	54	24.1	0.4	54	25.9	0.5	54	27.3	0.5	54	29.0	0.5	-	100.0%
1-6	13	-		12	1.9	0.2	13	2.4	0.2	13	2.7	0.2	13	2.9	0.2	13	3.0	0.2	-	24.1%
7-10	20	-		18	5.2	0.3	20	6.9	0.3	20	7.3	0.4	20	7.7	0.4	20	8.1	0.4	-	37.0%
11-12	12	-		9	4.4	0.5	12	6.7	0.6	12	7.2	0.6	12	7.5	0.6	12	8.0	0.7	-	22.2%
13-16	9	-		7	6.5	0.9	9	8.0	0.9	9	8.8	1.0	9	9.2	1.0	9	9.8	1.1	-	16.7%

1. Rand million.

Expenditure trends

The Council on Higher Education's primary source of revenue is a transfer from the Department of Higher Education and Training, with additional revenue received for providing accreditation to private higher education institutions. Revenue is also generated from interest on investments and the hiring out of its venues. The council is currently reviewing all administrative policies, procedures and contracts with service providers to ensure cost savings. The council is introducing a new fee structure based on cost recovery for accrediting programmes from private providers, which is expected to result in increases in revenue over the medium term.

The spending focus over the medium term will be on auditing the quality assurance mechanisms of higher education institutions, and accrediting the programmes that they offer along with managing the qualifications sub-framework for higher education.

The council's expenditure is projected to grow over the medium term, mainly due to increases in spending on compensation of employees as vacant posts are filled. However, as a result of savings of approximately R2 million over the medium term and a cost effective operational approach, expenditure on goods and services does not increase. Growth in total expenditure will allow the council to continue to provide advice to the Minister of Higher Education and Training, conduct and publish research related to the higher education sector, and conduct ten institutional audits over the medium term.

The council has a total of 54 posts on its staff establishment, all of which are filled. The reason for the vacant posts, aside from normal attrition, is mainly due to difficulties in recruiting appropriately qualified senior staff as the general conditions of service in higher education institutions are more favourable and because institutional audits originally scheduled for mid-2012 will only be conducted in 2013.

The council has a budget of R5.3 million for consultants in 2012/13, which is equivalent to 22 per cent of the compensation of employees budget. Consultants are used for a range of once-off specialist tasks, including evaluations, report writing, financial advice and IT services.

Quality Council for Trades and Occupations

Mandate and goals

The Quality Council for Trades and Occupations was established in terms of the Skills Development Act (2008), and became operational on 1 April 2010. The council's mandate, derived from both the Skills Development Act (1998) and the National Qualifications Framework Act (2008), is to establish and maintain occupational standards and qualifications; and to quality assure occupational standards, qualifications and learning in and for the workplace.

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

- design and develop occupational standards and qualifications and submit them to the South African Qualifications Authority for registration in the national qualifications framework
- oversee the development and maintenance of the occupational qualifications sub-framework of the national qualifications framework.

Selected performance indicators

Table 17.30 Quality Council for Trades and Occupations

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of qualifications in the development process each year	Occupational qualification management	- ¹	- ¹	120	140	140	140	140
Number of qualifications recommended to the South African Qualifications Authority each year	Occupational qualification management	- ¹	- ¹	12	60	70	70	70
Number of assessment quality partners assessment systems evaluated to be valid, fair and reliable per year	Occupational qualification management	- ¹	- ¹	- ¹	15	20	20	20

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

Programmes/activities/objectives

Table 17.31 Quality Council for Trades and Occupations

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
Administration	-	7 302	7 463	13 942	-	-	17 122	12 913	12 645	-3.2%	54.8%
Occupational qualification management	-	-	3 252	14 267	-	-	11 786	9 800	10 990	-8.3%	45.2%
Total expense	-	7 302	10 715	28 209	-	-	28 908	22 713	23 635	-5.7%	100.0%

Expenditure estimates

Table 17.32 Quality Council for Trades and Occupations

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Revenue											
Tax revenue	-	-	18 387	-	-	-	-	-	-	-	-
Non-tax revenue	-	-	-	7 857	-	-	7 526	-	-	-100.0%	13.4%
Other non-tax revenue	-	-	-	7 857	-	-	7 526	-	-	-100.0%	13.4%
Transfers received	-	10 132	18 367	20 352	-	-	21 747	23 167	24 348	6.2%	86.6%
Total revenue	-	10 132	36 754	28 209	-	-	29 273	23 167	24 348	-4.8%	100.0%
Expenses											
Current expenses	-	7 302	10 715	28 209	-	-	28 908	22 713	23 635	-5.7%	100.0%
Compensation of employees	-	4 054	5 452	13 613	-	-	17 850	17 645	18 950	11.7%	67.0%
Goods and services	-	3 248	5 263	14 596	-	-	11 058	5 068	4 685	-31.5%	33.0%
Total expenses	-	7 302	10 715	28 209	-	-	28 908	22 713	23 635	-5.7%	100.0%
Surplus/(Deficit)	-	2 830	26 039	-	-	-	365	454	713	-	-

Personnel information

Table 17.33 Quality Council for Trades and Occupations

Post status estimated for 31 March 2013	Number of funded posts / Number of vacant posts		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	33	1	1	5.5	5.5	32	12.4	0.4	34	14.7	0.4	33	15.4	0.5	32	15.5	0.5	-	100.0%
1-6	2	-	-	-	-	2	0.2	0.1	2	0.3	0.1	2	0.3	0.1	2	0.3	0.1	-	6.1%
7-10	15	-	-	-	-	15	2.8	0.2	15	3.3	0.2	15	3.4	0.2	15	3.6	0.2	-	45.8%
11-12	9	-	-	-	-	9	4.4	0.5	9	5.1	0.6	9	5.4	0.6	8	4.9	0.6	-3.9%	26.7%
13-16	7	1	1	5.5	5.5	6	5.0	0.8	8	6.0	0.7	7	6.3	0.9	7	6.7	1.0	5.3%	21.3%

1. Rand million.

Expenditure trends

The spending focus of the Quality Council for Trades and Occupations over the medium term will be on attaining full functionality by appointing staff; and developing and implementing policy, systems and procedures to give effect to the mandate of the council. Expenditure is particularly high in 2012/13 and 2013/14 due to the set-up costs associated with the council attaining full functionality. This entailed appointing staff to develop a quality assurance system, accredit training providers and assessment centres, develop a certification system, and certify occupational qualifications. Once these set up costs have been incurred, expenditure is expected to decrease over the medium term, but the council will be funding the following projects: 140 qualifications that are to be included in the development process over each year over the medium term; 200 qualifications which are to be recommended to the South African Qualifications Authority over the medium term; and 55 evaluations to be undertaken to assess quality partners' assessment systems.

The organisational structure was approved in October 2011. The council has 46 posts in its organisational structure, of which 33 are funded. There is one vacancy, which will be filled as the council attains full operational status.

The entity has a budget of R2.5 million for consultants in 2012/13, which is equivalent to 18.4 per cent of the compensation of employees budget. Consultants were used mainly to implement an accrual accounting system for the entity while it was being set up.

South African Qualifications Authority

Mandate and strategic goals

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

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

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

Selected performance indicators

Table 17.34 South African Qualifications Authority

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new qualifications received by the centre for the evaluation of educational qualifications per year	Foreign qualifications evaluation and advisory services	25 500	26 000	28 709	24 000	24 000	24 000	24 000
Number of people assisted through the career advice service per year	Administration and support	- ²	8 000	87 000	40 000	20 000	- ¹	- ¹
Number of verifications of qualifications completed per year	National learners' records database	- ²	60 000	100 000	112 500	100 000	100 000	100 000

1. The career advice service will no longer be in operation due to the cessation of funding for this project.

2. The South African Qualifications Authority only started measuring these indicators in 2010/11.

Programmes/activities/objectives

Table 17.35 South African Qualifications Authority

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Administration and support	39 732	47 591	62 326	92 975	32.8%	66.6%	63 262	41 851	43 408	-22.4%	58.4%
Recognition and registration of qualifications and part qualifications	7 569	7 275	8 239	7 906	1.5%	9.2%	8 538	9 065	9 599	6.7%	9.1%
National learners' records database	4 927	6 965	8 217	15 238	45.7%	9.5%	14 040	15 282	16 308	2.3%	15.7%
Foreign qualifications evaluation and advisory services	11 296	11 905	12 781	14 511	8.7%	14.7%	15 911	16 835	17 625	6.7%	16.8%
Total expense	63 524	73 736	91 563	130 630	27.2%	100.0%	101 751	83 033	86 940	-12.7%	100.0%

Expenditure estimates

Table 17.36 South African Qualifications Authority

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Revenue											
Non-tax revenue	19 987	23 108	27 056	33 820	19.2%	30.2%	28 550	29 350	30 701	-3.2%	31.7%
Sale of goods and services other than capital assets	14 611	15 714	19 001	23 850	17.7%	21.3%	20 000	21 000	21 966	-2.7%	22.5%
of which:											
Administrative fees	13 807	15 145	18 797	23 850	20.0%	20.7%	19 500	21 000	21 966	-2.7%	22.4%
Sales by market establishment	804	569	204	-	-100.0%	0.6%	500	-	-	-	0.1%
Other non-tax revenue	5 376	7 394	8 055	9 970	22.9%	8.9%	8 550	8 350	8 735	-4.3%	9.2%
Transfers received	43 262	52 100	61 430	87 348	26.4%	69.8%	73 201	53 683	56 239	-13.7%	68.3%
Total revenue	63 249	75 208	88 486	121 168	24.2%	100.0%	101 751	83 033	86 940	-10.5%	100.0%
Expenses											
Current expenses	63 524	73 736	91 563	130 630	27.2%	100.0%	101 751	83 033	86 940	-12.7%	100.0%
Compensation of employees	33 479	42 968	51 223	63 605	23.9%	53.9%	59 129	50 225	52 764	-6.0%	57.0%
Goods and services	26 154	27 498	36 905	62 246	33.5%	41.6%	37 899	28 000	29 147	-22.3%	38.0%
Depreciation	3 891	3 270	3 435	4 779	7.1%	4.5%	4 723	4 808	5 029	1.7%	5.0%
Total expenses	63 524	73 736	91 563	130 630	27.2%	100.0%	101 751	83 033	86 940	-12.7%	100.0%
Surplus/(Deficit)	(275)	1 472	(3 077)	(9 462)	225.2%		-	-	-	-100.0%	

Personnel information

Table 17.37 South African Qualifications Authority

Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	179	6	180	51.2	0.3	188	63.6	0.3	196	59.1	0.3	153	50.2	0.3	154	52.8	0.3	-6.4%	100.0%
1-6	10	-	15	0.7	0.0	10	0.4	0.0	11	0.5	0.0	12	0.7	0.1	13	0.8	0.1	9.1%	6.8%
7-10	68		71	11.7	0.2	83	16.6	0.2	77	13.2	0.2	58	10.7	0.2	58	11.2	0.2	-11.3%	39.8%
11-12	83	4	80	26.9	0.3	79	33.4	0.4	92	32.4	0.4	69	26.2	0.4	69	27.7	0.4	-4.4%	44.7%
13-16	18	2	14	11.9	0.9	16	13.3	0.8	16	13.1	0.8	14	12.6	0.9	14	13.1	0.9	-4.4%	8.7%

1. Rand million.

Expenditure trends

Revenue for the South African Qualifications Authority is mainly provided through transfers from the Department of Higher Education and Training, and will constitute 68.3 per cent of its total revenue over the medium term. In addition, the authority signed an agreement with the National Skills Fund, which will have provided R99.4 million between 1 September 2010 and 31 August 2013 to fund a career advice services helpdesk, and an additional R3 million to promote the Apply Now! campaign to encourage Grade 12 learners to apply for tertiary studies. This accounts for the increased number of people assisted through the career advice service in 2011/12, as well as the tapering off of these numbers up to 2013/14, when the current funding for the helpdesk comes to an end. Other revenue is derived from fees for the evaluation of foreign qualifications, fees for verification services, rental income and interest on investments.

Revenue increased from 2009/10 to 2012/13 and is expected to decrease over the medium term as the funding from the National Skills Fund for the career helpdesk ends in 2013/14. Funds received will allow 24 000 foreign qualifications to be evaluated by the centre for evaluation of foreign qualifications each year. Approximately 300 000 qualifications are projected to be verified by the authority over the medium term.

The spending focus over the medium term will be on driving a clear, coordinated communications strategy to help providers, learners and the public understand the national qualification framework's new architecture and the implications thereof.

The increase in expenditure between 2011/12 and 2013/14 is mainly due to the funding received for the career advice service helpdesk, which assisted 87 000 people in 2011/12, and which is expected to assist 40 000 people in 2012/13 and 20 000 in 2013/14. Funding for the helpdesk project beyond 2013/14 has not yet been secured and, as a result, expenditure is expected to decrease over the medium term. This also accounts for the decrease in expenditure on compensation of employees over the medium term. The deficits reflected over this period are for the continued upgrading and maintenance of office accommodation and will be funded from the authority's accumulated surplus.

The authority has implemented cost saving measures that include the scheduling of meetings so that the authority's own premises are used more frequently, reduced catering for internal functions, a reduction in the use of external consultants, publishing qualifications and part qualifications on the authority's website instead of in the Government Gazette, reducing staff travel and subsistence costs by booking travel internally and negotiating improved travel rates, using energy efficient lighting, and reducing the use of paper. Savings are expected to amount to R680 000 over the medium term.

As at 30 September 2012, the authority had an establishment of 179 posts. Of these, 155 posts were filled by permanent staff while the remaining 33 posts, which are additional to the establishment, were filled by non-permanent staff working on career advice projects. The recruiting process for these 33 posts will begin only once more clarity is obtained in the long term about the funding of the career advice services and verifications projects.

The entity has a budget of R23.1 million for consultants in 2012/13, which is equivalent to 36.3 per cent of the compensation of employees budget. Consultants are used for specialised skills and services where the entity does not have the skills, resources or capacity available internally, such as in IT, legal matters and specialised research.

Additional tables

Table 17.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome 2011/12	Appropriation			Revised estimate 2012/13
	Main 2011/12	Adjusted		Main	Additional	Adjusted	
R thousand							
Administration	161 580	148 541	152 404	175 453	(11 287)	164 166	164 166
Human Resource Development, Planning and Monitoring Coordination	33 819	35 865	38 074	40 671	3 671	44 342	44 342
University Education	23 429 499	23 428 116	23 428 356	26 233 965	(1 273)	26 232 692	26 227 692
Vocational and Continuing Education and Training	4 475 438	4 554 222	4 540 838	4 950 200	94 052	5 044 252	5 036 252
Skills Development	128 253	132 770	122 025	100 068	631	100 699	98 699
Subtotal	28 228 589	28 299 514	28 281 697	31 500 357	85 794	31 586 151	31 571 151
Direct charge against the National Revenue Fund	9 148 712	10 095 113	10 025 251	9 606 148	1 793 852	11 400 000	11 400 000
Sector education and training authorities	7 318 967	8 077 297	8 021 408	7 684 915	1 435 085	9 120 000	9 120 000
National Skills Fund	1 829 745	2 017 816	2 003 843	1 921 233	358 767	2 280 000	2 280 000
Total	37 377 301	38 394 627	38 306 948	41 106 505	1 879 646	42 986 151	42 971 151
Economic classification							
Current payments	455 825	473 835	460 763	529 708	(6 303)	523 405	508 405
Compensation of employees	301 521	324 253	305 598	359 140	14 980	374 120	364 120
Goods and services	154 304	149 582	155 165	170 568	(21 283)	149 285	144 285
Transfers and subsidies	36 913 361	37 909 137	37 842 384	40 569 186	1 888 633	42 457 819	42 457 819
Provinces and municipalities	4 325 989	4 375 311	4 375 311	4 757 271	87 336	4 844 607	4 844 607
Departmental agencies and accounts	13 232 206	14 177 149	14 107 295	14 906 511	1 795 393	16 701 904	16 701 904
Higher education institutions	19 352 723	19 354 159	19 354 159	20 902 860	–	20 902 860	20 902 860
Foreign governments and international organisations	2 443	2 443	2 379	2 544	–	2 544	2 544
Non-profit institutions	–	–	3 000	–	5 000	5 000	5 000
Households	–	75	240	–	904	904	904
Payments for capital assets	8 115	11 655	3 705	7 611	(2 684)	4 927	4 927
Machinery and equipment	8 115	11 555	3 591	7 611	(2 859)	4 752	4 752
Software and other intangible assets	–	100	114	–	175	175	175
Payments for financial assets	–	–	96	–	–	–	–
Total	37 377 301	38 394 627	38 306 948	41 106 505	1 879 646	42 986 151	42 971 151

Table 17.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	201 753	258 205	305 598	374 120	402 700	426 540	448 427
Training expenditure (R thousand)	1 870	874	1 629	1 000	1 900	2 000	2 100
Training spend as percentage of compensation	0.9%	0.3%	0.5%	0.3%	0.5%	0.5%	0.5%
Total number trained (headcount)	134	254	224	–			
<i>of which:</i>							
Employees receiving bursaries (headcount)	31	24	42	27			
Internships (headcount)	19	54	97	88			
Households receiving bursaries (R thousand)	300 000	318 000	1 235 244	1 734 834	1 988 434	2 107 739	2 204 695
Households receiving bursaries (headcount)	34 286	64 572	165 273	180 826			

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

R thousand	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Conditional grants to provinces							
Vocational and Continuing Education and Training							
Further education and training colleges grant	3 155 276	3 803 958	4 375 311	4 844 607	2 442 679	2 600 296	2 758 773
Further education and training colleges sector recapitalisation grant	–	–	–	–	–	–	–
Total	3 155 276	3 803 958	4 375 311	4 844 607	2 442 679	2 600 296	2 758 773

1. Detail provided in the Division of Revenue Act (2013).

Table 17.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand													
Foreign In cash													
European Union	University library books, technical support and higher education AIDS project	University Education	August 2004 to September 2010	216 230	Goods and services	University library books, technical support and higher education AIDS project	6 102	10 701	–	–	–	–	–
European Union	Technical and business initiative in South Africa	University Education	2008/09	6 487	Goods and services	Promotion of research, curriculum development and learning materials development; and teacher training and the introduction of new programmes to provide support in the creation and development of small businesses to reduce poverty	–	–	6 487	–	–	–	–
European Union	Primary Education Sector Support Programme (Foundation phase - teacher education)	University Education	2010/11 to 2012/13	141 000	Goods and services	Number of public higher education institutions involved in initial teacher education for teaching in the foundation phase and the number of students enrolled in initial teacher education programmes specialising in the foundation phase increases	–	34 067	22 746	48 850	35 337	–	–
United States Agency for International Development	Capacity building in Sudan	University Education	2010/11	493	Goods and services	Capacity building in Sudan	–	493	–	–	–	–	–
European Union	General budget support for career guidance services	University Education	2012/13 to 2013/14	60 000	Departmental agencies and accounts	Career guidance services	–	–	–	–	30 000	30 000	–
United States Agency for International Development	Trilateral cooperation project: Rebuilding constitutionalism in post-conflict societies through comparative analysis	Human Resource Development, Planning and Monitoring Coordination	2012/13	1 746	Goods and services	PhD candidates from selected countries are registered at the University of Pretoria Faculty of Law. They have access to teaching, research and publishing opportunities, and thesis supervision	–	–	–	226	900	570	50
United States Agency for International Development	Trilateral cooperation project: Building capacity in education in South Sudan	Human Resource Development, Planning and Monitoring Coordination	2012/13	1 795	Goods and services	Certificate for officials from South Sudan education ministry	–	–	–	342	726	–	–
In kind													
Deutsche Gesellschaft für Internationale Zusammenarbeit	Employment and skills development services	Skills Development	October 2007 to December 2011	146 300	Goods and services	Capacity building in skills development policy, advising services across all levels: Skills education and training authority, National Skills Authority, National Skills Fund and further education and training colleges	33 000	33 000	–	–	100	100	100

Table 17.D Summary of donor funding (continued)

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand													
Netherlands	Implementation of standardised business management system in 3 pilot further education and training colleges	Vocational and Continuing Education and Training	2010/11	4 200	Goods and services	Capacity building in higher education through the Netherlands Universities Foundation for International Cooperation: Implementation of standardised business management system in 3 pilot further education and training colleges	-	-	4 200	-	-	-	
Denmark	Support to the education and skills development programme in South Africa	Vocational and Continuing Education and Training	2010 to 2013	28 799	Goods and services	Support to the education and skills development programme in South Africa	-	-	889	9 599	9 599	-	
Belgium Development Agency	Identifying key information gaps in further education training college sub-systems	Vocational and Continuing Education and Training	2011/12	350	Compensation of employees	Identifying key information gaps in further education training college sub-systems	-	-	350	-	-	-	
Chinese Government	Refurbishment of 4 further education training colleges	Vocational and Continuing Education and Training	2011/12	2 000	Goods and services	Refurbishment of 4 further education training colleges	-	-	2 000	-	-	-	
United States Agency for International Development	United States Agency for International Development partnership for skills development	Skills Development	2011/12	4 741	Goods and services	United States Agency for International Development partnership for skills development	-	-	4 741	-	-	-	
Total				614 141			39 102	78 261	41 413	59 017	76 662	30 670	

Table 17.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
Further education and training colleges sector recapitalisation grant	Construction, upgrading and maintenance of workshops, machinery and equipment, administrative facilities	Handed over	1 896 300	-	-	-	-	-	-	-
Tertiary institutions infrastructure	Construction and upgrading of hostels, lecture halls, laboratories	Various	11 249 000	1 462 000	1 585 000	1 625 294	1 800 000	2 000 000	2 200 000	2 300 000
New universities in Mpumalanga and Northern Cape	Construction, upgrading and maintenance of lecture halls, laboratories, hostels	Feasibility	-	-	-	-	-	150 000	500 000	1 000 000
Total			13 145 300	1 462 000	1 585 000	1 625 294	1 800 000	2 150 000	2 700 000	3 300 000

Table 17.F Direct transfer and subsidy portion for FET Colleges, 2013/14

Further Education and Training College	Compensation of employees	Other operational costs	Capital expenditure	Total subsidy
R thousand				
Eastern Cape	124 259	365 186	-	489 445
Buffalo City	19 213	43 150	-	62 363
East Cape Midlands	12 790	62 158	-	74 948
Ikhala	12 782	39 332	-	52 114
Ingwe	10 415	37 166	-	47 581
King Hintsa	11 372	75 899	-	87 271
King Sabata Dalindyebo	17 485	50 061	-	67 546
Lovedale	15 789	18 174	-	33 963
Port Elizabeth	24 413	39 246	-	63 659
Free State	93 346	99 291	-	192 637
Flavius Mareka	30 023	787	-	30 810
Goldfields	11 365	5 249	-	16 614
Maluti	24 128	13 848	-	37 976
Motheo	27 830	79 407	-	107 237
Gauteng	164 022	438 520	-	602 542
Central Johannesburg	13 392	27 615	-	41 007
Ekurhuleni East	9 094	46 093	-	55 187
Ekurhuleni West College	16 291	70 530	-	86 821
Sedibeng	26 139	72 802	-	98 941
South West	11 856	98 681	-	110 537
Tshwane North	26 145	32 706	-	58 851
Tshwane South	34 715	33 461	-	68 176
Western	26 390	56 632	-	83 022
Kwa-Zulu Natal	404 223	239 233	-	643 456
Coastal	81 886	20 919	-	102 805
Elangeni	46 299	44 591	-	90 890
Esayidi	42 381	16 187	-	58 568
Majuba	70 262	85 850	-	156 112
Mnambithi	24 994	29 354	-	54 348
Mthashana	24 535	3 092	-	27 627
Thekwini	33 595	10 487	-	44 082
Umfolosi	48 056	28 614	-	76 670
Umgungundlovu	32 215	139	-	32 354
Limpopo	11 824	226 925	-	238 749
Capricorn	-	29 748	-	29 748
Lephalale	2 175	10 038	-	12 213
Letaba	1 812	26 160	-	27 972
Mopani South East	1 685	48 099	-	49 784
Sekhukhune	2 910	28 129	-	31 039
Vhembe	-	78 836	-	78 836
Waterberg	3 242	5 915	-	9 157
Mpumalanga	285	256 995	-	257 280
Ehlanzeni	3	78 388	-	78 391
Gert Sibande	91	114 383	-	114 474
Nkangala	191	64 224	-	64 415

Table 17.F Direct transfer and subsidy portion for FET Colleges, 2013/14 (continued)

Further Education and Training College	Compensation of employees	Other operational costs	Capital expenditure	Total subsidy
R thousand				
North West	117 721	101 051	–	218 772
Orbit	50 293	68 164	–	118 457
Taletso	30 490	16 176	–	46 666
Vuselela	36 938	16 711	–	53 649
Northern Cape	31 058	16 815	–	47 873
Northern Cape Rural	15 172	13 560	–	28 732
Northern Cape Urban	15 886	3 255	–	19 141
Western Cape	223 759	96 191	2 485	322 435
Boland	39 200	7 313	1 053	47 566
College of Cape Town	28 688	2 042	–	30 730
False Bay	37 001	5 519	800	43 320
NorthLink	47 662	2 252	–	49 914
South Cape	24 991	21 218	632	46 841
West Coast	46 217	57 847	–	104 064
Total	1 170 497	1 840 207	2 485	3 013 189

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

Higher education institutions	Block grant	Interest and redemption	Infra-structure and efficiency funds	Development funds	Clinical training of health professionals	Ad Hoc	National Student Financial Aid Scheme				Total
							General allocation	Teacher training	Students with disabilities	Final year programme	
R thousand											
Cape Peninsula University of Technology	801 829	774	–	27 566	5 239	–	132 495	8 573	3 125	53 000	1 032 601
University of Cape Town	974 808	251	–	13 072	36 570	–	67 304	560	1 140	31 000	1 124 705
Central University of Technology	281 218	–	–	14 485	2 012	–	66 287	3 566	1 994	40 000	409 562
Durban University of Technology	591 665	1 051	–	18 675	5 348	–	159 087	4 160	5 076	35 000	820 062
University of Fort Hare	269 498	–	–	13 322	4 151	–	56 547	1 428	1 553	65 000	411 499
University of the Free State	775 250	356	–	35 551	21 464	–	78 925	2 746	1 265	23 000	938 557
University of Johannesburg	1 143 400	3 210	–	53 388	6 032	–	214 457	1 773	3 977	57 000	1 483 237
University of KwaZulu-Natal	1 290 835	728	–	22 996	61 733	–	155 691	16 109	3 698	53 000	1 604 790
University of Limpopo	606 841	147	–	54 985	38 906	–	130 570	9 345	2 849	66 000	909 643
Mangosuthu University of Technology	223 536	–	–	20 310	379	–	76 213	–	2 140	60 000	382 578
Nelson Mandela Metropolitan University	640 299	279	–	20 243	6 437	–	87 403	341	2 427	30 000	787 429
North West University	1 024 698	500	–	24 403	6 836	–	78 849	7 704	2 535	35 000	1 180 525
University of Pretoria	1 521 080	85	–	23 520	37 796	–	100 187	6 419	2 632	37 000	1 728 719
Rhodes University	267 931	75	–	2 739	658	–	14 345	84	154	12 000	297 986
University of South Africa	1 713 664	517	–	270 829	–	–	116 069	931	3 993	6 000	2 112 003
Stellenbosch University	975 028	490	–	8 005	32 571	–	23 692	205	639	21 000	1 061 630
Tshwane University of Technology	1 197 061	3 102	–	52 144	3 338	–	299 506	5 305	5 275	87 000	1 652 731
Vaal University of Technology	422 694	466	–	25 203	1 880	–	122 339	–	3 826	25 000	601 408
University of Venda	296 659	220	–	22 250	2 627	–	90 101	6 930	2 871	63 000	484 658
Walter Sisulu University	519 874	–	–	67 600	12 986	–	165 468	7 750	4 368	74 000	852 046
University of the Western Cape	570 306	–	–	27 563	25 971	–	81 308	1 604	2 315	39 000	748 067
University of Witwatersrand	1 018 729	2 354	–	23 866	51 036	–	100 727	3 280	3 022	25 000	1 228 014
University of Zululand	306 959	–	–	27 138	3 320	–	63 044	12 187	2 126	67 000	481 774
Unallocated	–	–	1 800 000	–	–	417 250	–	–	–	–	2 217 250
Total	17 433 862	14 605	1 800 000	869 853	367 290	417 250	2 480 614	101 000	63 000	1 004 000	24 551 474

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

Higher education institutions	Block grant	Interest and redemption	Infra-structure and efficiency funds	Development funds	Clinical training of health professionals	Ad Hoc	National Student Financial Aid Scheme				Total
							General allocation	Teacher training	Students with disabilities	Final year programme	
R thousand											
Cape Peninsula University of Technology	832 101	737	–	39 470	5 528	12 960	–	–	–	–	890 796
University of Cape Town	1 011 245	21	–	19 684	38 581	–	–	–	–	–	1 069 531
Central University of Technology	297 691	–	–	18 797	2 122	–	–	–	–	–	318 610
Durban University of Technology	615 393	1 051	–	27 176	5 643	–	–	–	–	–	649 263
University of Fort Hare	294 861	–	–	15 963	4 379	–	–	–	–	–	315 203
University of the Free State	831 072	48	–	44 091	22 644	–	–	–	–	–	897 855
University of Johannesburg	1 222 140	2 701	–	68 419	6 364	12 480	–	–	–	–	1 312 104
University of KwaZulu-Natal	1 315 241	289	–	33 988	65 127	16 320	–	–	–	–	1 430 965
University of Limpopo	652 618	–	–	49 445	41 046	6 240	–	–	–	–	749 349
Mangosuthu University of Technology	235 973	–	–	19 159	400	–	–	–	–	–	255 532
Nelson Mandela Metropolitan University	673 777	77	–	27 387	6 791	11 600	–	–	–	–	719 632
North West University	1 090 562	116	–	32 511	7 212	28 060	–	–	–	–	1 158 461
University of Pretoria	1 561 571	–	–	33 880	39 875	122 500	–	–	–	–	1 757 826
Rhodes University	287 969	29	–	4 829	695	–	–	–	–	–	293 522
University of South Africa	1 865 849	–	–	231 327	–	1 000	–	–	–	–	2 098 176
Stellenbosch University	1 018 519	149	–	14 771	34 362	–	–	–	–	–	1 067 801
Tshwane University of Technology	1 267 772	3 102	–	77 877	3 521	12 860	–	–	–	–	1 365 132
Vaal University of Technology	460 513	466	–	29 093	1 983	–	–	–	–	–	492 055
University of Venda	316 017	220	–	21 934	2 772	–	–	–	–	–	340 943
Walter Sisulu University	571 673	–	–	65 685	13 700	22 880	–	–	–	–	673 938
University of the Western Cape	611 473	–	–	30 120	27 400	–	–	–	–	–	668 993
University of Witwatersrand	1 081 451	249	–	25 159	53 843	–	–	–	–	–	1 160 702
University of Zululand	323 103	–	–	25 760	3 503	–	–	–	–	–	352 366
National Institutes of Higher Education in Northern Cape	–	–	–	–	–	28 613	–	–	–	–	28 613
National Institutes of Higher Education in Mpumalanga	–	–	–	–	–	16 805	–	–	–	–	16 805
Operational cost for two new universities in Mpumalanga and Northern Cape	–	–	–	–	–	150 000	–	–	–	–	150 000
Capital expenditure on the two new universities in Mpumalanga and Northern Cape	–	–	–	–	–	150 000	–	–	–	–	150 000
Unallocated	–	–	2 000 000	–	–	4 594	3 693 295	–	–	–	5 697 889
Total	18 438 584	9 255	2 000 000	956 525	387 491	596 912	3 693 295	–	–	–	26 082 062

BUDGET 2013
ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA