

Vote 5

Education

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	39 445 185	39 593 196		148 011
MEC remuneration	1 735	1 735		
Total amount to be appropriated	39 446 920	39 594 931		148 011
<i>of which:</i>				
Current payments	35 009 454	35 992 975		983 521
Transfers and subsidies	1 831 579	1 847 516		15 937
Payments for capital assets	2 605 887	1 754 440	(R851 447)	
Payments for financial assets	-	-		
Responsible MEC	Ms. N. P. Nkonyeni, MEC for Education			
Administering department	Education			
Accounting Officer	Head: Education			

1. Vision and mission

Vision

The vision of the Department of Education is: *A well-educated, skilled and highly developed citizenry.*

Mission statement

The department's mission is: *To provide equitable access to quality education for the people of KwaZulu-Natal.*

2. Strategic objectives

Strategic policy direction: These are linked to those of the national government's 14 outcomes, which also informs most the department's strategic goals and objectives, as listed below:

- Quality basic education.
- Skilled and capable workforce to support an inclusive growth path.

The strategic goals of the department are as follows.

- Broaden access to education and provide resources.
- Improve schools' functionality and educational outcomes at all levels.
- Develop human resource and organisational capacity and enhance skills.
- Develop schools into centres of community focus, care and support.
- Ensure good corporate governance, management and an efficient administration.
- Promote national identity and social cohesion.

3. Summary of adjusted estimates for the 2014/15 financial year

The main appropriation of the Department of Education was R39.447 billion in 2014/15. In the adjusted appropriation, the department received an overall budget increase of R148.011 million, which is the amount that is to be appropriated in the 2014/15 Adjustments Estimate.

The main adjustments that led to this overall increase are summarised below and are explained in more detail in Section 4:

- *Roll-overs*: An amount of R55.362 million was rolled over from 2013/14 as follows:
 - R15.766 million in respect of the National School Nutrition Programme (NSNP) conditional grant. This relates to February and March invoices which could not be paid before year-end.
 - R7.553 million in respect of the Technical Secondary Schools Recapitalisation grant for equipment that was ordered but not delivered before year-end.
 - R1.890 million for the Dinaledi Schools grant in respect of goods not delivered before year-end.
 - R19.559 million for the HIV and AIDS (Life-skills Education) grant in respect of goods that had not been delivered prior to year-end and funds which were withheld due to delays in procuring. In addition, an amount of R9.727 million relates to funds that were withheld by National Treasury due to delays in procuring HIV and AIDS related teacher training, first aid kits and scales for schools as bid specifications were not finalised as planned.
 - R867 000 for the EPWP Integrated Grant to Provinces in respect of invoices that could not be paid prior to year-end.
- *Virement between programmes*: As part of the internal cost containment plan to stay within budget, the department undertook several virements between programmes, as summarised below:
 - Programme 1: Administration was increased by R100 million from Programme 8: Infrastructure Development due to enforced savings against *Buildings and other fixed structures* in order to ease spending pressures in *Compensation of employees* as part of implementation of the departmental internal cost containment plan.
 - Programme 2: Public Ordinary School Education was increased by R728 million which is the net effect after an increase of R710 million from Programme 8 under *Buildings and other fixed structures* in order to ease spending pressures in *Compensation of employees*. The further increase of R18 million was from Programme 4: Public Special School Education against *Transfers and subsidies to: Non-profit institutions*, to cater for expenditure relating to inclusive education that is paid under this programme, of which R10.800 million is in respect of *Transfers and subsidies* and R7.200 million relates to *Goods and services*.
 - Programme 4 was increased by R32 million which is the net effect after an increase of R50 million from Programme 8 under *Buildings and other fixed structures* in order to ease spending pressures in *Compensation of employees*. An amount of R18 million was reduced from *Transfers and subsidies to: Non-profit institutions* and was moved to Programme 2, as previously explained.
 - Programme 8 was decreased by R860 million largely to cater for the pressures in *Compensation of employees*, in Programmes 1, 2 and 4 that arose from the under-funding of prior year wage agreements and the current years' higher than budgeted annual wage adjustment.

In addition to these virements between programmes, the department also undertook virements across sub-programmes and economic categories within programmes. Details of these virements are provided per programme in Section 4. All of these virements are permissible in terms of the PFMA and Treasury Regulations, though the virements undertaken from Programme 8 require Legislature approval, as these exceed the 8 per cent threshold in terms of the PFMA. Also, in instances where *Transfers and subsidies* and *Compensation of employees* were increased, the required Treasury approval was obtained. The reductions in *Transfers and subsidies to: Non-profit institutions* and *Payments for capital assets* require Legislature approval.

- *Shifts*: At the beginning of 2014/15, the budget programme structure changes were effected in the Education sector. The department has indicated that during the finalisation of the main budget these changes were not effected, which they are now correcting. The sub-programme: Professional Services together with the HIV and AIDS (Life-Skills Education) grant totalling R448.159 million

were shifted from Programme 2 to Programme 9: Auxiliary and Associated Services in order to align with the budget programme structure as follows:

- o Regarding the Professional Services sub-programme, an amount of R366.612 million has been shifted from *Compensation of employees* in Programme 2 to the same category in Programme 9. These funds were shifted to the same category in order to align to the Education sector budget programme structure.
- o Regarding the HIV and AIDS (Life-Skills Education) grant, an amount of R81.547 million was shifted in respect of *Goods and services* in the amount of R70.747 million and R10.800 million toward *Transfer and subsidies to: Non-profit institutions*. These funds were shifted to the same category in order to align to the Education sector budget programme structure.
- *Other adjustments*: The department's budget allocation was increased by a net amount of R92.649 million, as explained below:
 - o R6.351 million was deducted from the department's budget under Programme 1 against *Goods and services* relating to previous year's irregular expenditure. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, that it becomes a first charge against the vote.
 - o R99 million was allocated from the provincial cash resources to *Goods and services* in Programmes 1 and 2 to deal with the department's in-year spending pressures.

Tables 5.1 and 5.2 below reflect a summary of the 2014/15 adjusted appropriation of the department, summarised according to programme and economic classification.

Table 5.1: Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	1 308 054	-	-	100 000	-	22 649	122 649	1 430 703
2. Public Ordinary School Education	32 638 540	55 362	-	728 000	(448 159)	70 000	405 203	33 043 743
3. Independent School Subsidies	74 395	-	-	-	-	-	-	74 395
4. Public Special School Education	844 012	-	-	32 000	-	-	32 000	876 012
5. Further Education and Training	351 475	-	-	-	-	-	-	351 475
6. Adult Basic Education and Training	177 353	-	-	-	-	-	-	177 353
7. Early Childhood Development	651 468	-	-	-	-	-	-	651 468
8. Infrastructure Development	2 722 349	-	-	(860 000)	-	-	(860 000)	1 862 349
9. Auxiliary and Associated Services	679 274	-	-	-	448 159	-	448 159	1 127 433
Total	39 446 920	55 362	-	-	-	92 649	148 011	39 594 931
Amount to be voted								148 011

Table 5.2: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	35 009 454	47 809	-	843 063	-	92 649	983 521	35 992 975
Compensation of employees	31 973 947	867	-	805 916	(67 000)	-	739 783	32 713 730
Goods and services	3 035 507	46 942	-	37 147	67 000	92 649	243 738	3 279 245
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 831 579	-	-	15 937	-	-	15 937	1 847 516
Provinces and municipalities	1 100	-	-	1 000	-	-	1 000	2 100
Departmental agencies and accounts	22 030	-	-	-	-	-	-	22 030
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	1 747 676	-	-	14 937	-	-	14 937	1 762 613
Households	60 773	-	-	-	-	-	-	60 773
Payments for capital assets	2 605 887	7 553	-	(859 000)	-	-	(851 447)	1 754 440
Buildings and other fixed structures	2 572 937	-	-	(860 000)	-	-	(860 000)	1 712 937
Machinery and equipment	32 950	7 553	-	1 000	-	-	8 553	41 503
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	39 446 920	55 362	-	-	-	92 649	148 011	39 594 931
Amount to be voted								148 011

4. Changes to programme purposes and service delivery measures

The department made changes to Programmes 2 and 9 in order conform to the sector specific programme and budget structure for the Education sector for 2014/15.

The purpose of the section on service delivery information is to ensure the alignment of the non-financial information reflected in the department's 2014/15 APP with that reflected in the 2014/15 EPRE. The service delivery measures reflected in the 2014/15 EPRE were not fully aligned to those in the department's 2014/15 APP, which was finalised after the budget was tabled and therefore changes have been made to ensure alignment.

4.1 Programme 1: Administration

The main objective of Programme 1 is to provide overall management of the education system in the province, including the functioning of the Office of the MEC for Education, education management services for the education system, human resource development for office-based staff and Education Management Information System (EMIS).

Tables 5.3 and 5.4 below reflect a summary of the 2014/15 adjusted appropriation of this programme, summarised according to sub-programme and economic classification. Details of the main adjustments, which led to an overall increase of R122.649 million in respect of this programme, are provided in the paragraphs following the tables.

Table 5.3: Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Office of the MEC	29 988						-	29 988
Corporate Services	361 921			252 000		22 649	274 649	636 570
Education Management	854 581			(150 000)			(150 000)	704 581
Human Resource Development	16 600						-	16 600
Education Management Information System (EMIS)	44 964			(2 000)			(2 000)	42 964
Total	1 308 054	-	-	100 000	-	22 649	122 649	1 430 703
Amount to be voted								122 649

Table 5.4: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	1 278 408	-	-	98 000	-	22 649	120 649	1 399 057
Compensation of employees	994 410			100 000			100 000	1 094 410
Goods and services	283 998			(2 000)		22 649	20 649	304 647
Interest and rent on land							-	-
Transfers and subsidies to:	29 646	-	-	1 000	-	-	1 000	30 646
Provinces and municipalities	1 100			1 000			1 000	2 100
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	28 546						-	28 546
Payments for capital assets	-	-	-	1 000	-	-	1 000	1 000
Buildings and other fixed structures							-	-
Machinery and equipment				1 000			1 000	1 000
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	1 308 054	-	-	100 000	-	22 649	122 649	1 430 703
Amount to be voted								122 649

Virement – Programme 1: Administration: R100 million

The main appropriation of Programme 1 was increased by R100 million as a result of the following:

- Programme 8 was decreased by R100 million due to financial controls and enforced savings against *Buildings and other fixed structures*. This was allocated to Programme 1 to provide for spending pressures in *Compensation of employees* relating to prior, as well as current years in respect of higher than anticipated wage adjustments, and implementation of salary upgrades for security guards from level 1 to 3, as per DPSA requirements.
- Savings of R2 million were moved from the sub-programme: Education Management Information System (EMIS) in *Goods and services* due to enforced savings and financial controls in order to ease spending pressures under the sub-programme: Corporate Services as follows:
 - R1 million was moved to *Transfers and subsidies to: Provinces and municipalities* to cater for payment of motor vehicle licences for the departmental fleet.
 - R1 million was moved to *Machinery and equipment* to cater for 2013/14 accruals related to the purchase of vehicles.
- Savings of R150 million were moved from the sub-programme: Education Management to the sub-programme: Corporate Services within the same economic category. This relates to spending pressures in *Compensation of employees* as a result of implementation of salary upgrades for security personnel and higher than budgeted 2014 annual wage adjustments.

Other adjustments – Programme 1: Administration: R22.649 million

The net increase of R22.649 million was due to the following:

- R6.351 million was deducted from the sub-programme: Corporate Services against *Goods and services* relating to previous year's irregular expenditure, as previously mentioned.
- R29 million was allocated from the provincial cash resources to *Goods and services* to assist the department with its in-year spending pressures.

Service delivery measures – Programme 1: Administration

Table 5.5 below illustrates the main service delivery measures relevant to Programme 1. The department largely complied with the service delivery measures as prescribed by the Education sector. It must be noted that some of the performance indicators in this programme are reported on annually rather than quarterly, due to a decision taken by the Education sector. These are indicated by “Annual” in the table. The revised targets ensure alignment with the department's 2014/15 APP.

Table 5.5: Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
To bring effective management to all levels of the system	• No. of public schools that use SA-SAMS (or its equivalent) to provide data to the national unit record tracking system	5 952	2 103	
	• No. of schools that can be contacted electronically (e-mail) by the dept.	5 952	Annual	
	• Percentage of education expenditure going towards non-personnel items	11.37%	Annual	9.2%
	• No. of visits by Circuit Managers	23 808	6 881	

4.2 Programme 2: Public Ordinary School Education

This programme houses the core function of the department, and its aim is the provision of public ordinary schools from Grades 1 to 12, in accordance with the South African Schools Act.

Tables 5.6 and 5.7 below reflect a summary of the 2014/15 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification. Details of the main adjustments, which led to the overall increase of R405.203 million, are given in the paragraphs following the tables.

Table 5.6: Programme 2: Public Ordinary School Education

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Public Primary Schools	18 173 826			432 763		42 000	474 763	18 648 589
Public Secondary Schools	12 554 718			295 237		28 000	323 237	12 877 955
Professional Services	366 612				(366 612)		(366 612)	-
Human Resource Development	136 652						-	136 652
In-school Sport and Culture	47 439						-	47 439
Conditional grants	1 359 293	55 362	-	-	(81 547)	-	(26 185)	1 333 108
National School Nutrition Programme	1 237 534	15 766					15 766	1 253 300
HIV and AIDS (Life-Skills Education) grant	52 261	29 286			(81 547)		(52 261)	-
Technical Secondary Schools Recap grant	45 280	7 553					7 553	52 833
Dinaledi Schools grant	19 568	1 890					1 890	21 458
Social Sector EPWP Incentive Grant for Provinces	2 580						-	2 580
EPWP Integrated Grant for Provinces	2 070	867					867	2 937
Total	32 638 540	55 362	-	728 000	(448 159)	70 000	405 203	33 043 743
Amount to be voted								405 203

Table 5.7: Programme 2: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	31 076 207	47 809	-	749 147	(437 359)	70 000	429 597	31 505 804
Compensation of employees	28 799 904	867		710 000	(366 612)		344 255	29 144 159
Goods and services	2 276 303	46 942		39 147	(70 747)	70 000	85 342	2 361 645
Interest and rent on land							-	-
Transfers and subsidies to:	1 529 383	-	-	(21 147)	(10 800)	-	(31 947)	1 497 436
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	1 498 691			(21 147)	(10 800)		(31 947)	1 466 744
Households	30 692						-	30 692
Payments for capital assets	32 950	7 553	-	-	-	-	7 553	40 503
Buildings and other fixed structures							-	-
Machinery and equipment	32 950	7 553					7 553	40 503
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	32 638 540	55 362	-	728 000	(448 159)	70 000	405 203	33 043 743
Amount to be voted								405 203

Roll-overs – Programme 2: Public Ordinary School Education: R55.362 million

An amount of R55.362 million was rolled over from 2013/14 as follows:

- R15.766 million in respect of the NSNP conditional grant. This relates to February and March invoices which could not be paid before year-end mainly on *Goods and services*.
- R7.553 million in respect of the Technical Secondary Schools Recapitalisation grant for equipment that was ordered but not delivered before year-end, against *Machinery and equipment*.
- R1.890 million for the Dinaledi Schools grant in respect of goods that were not delivered before year-end mainly on *Goods and services*.
- R19.559 million for the HIV and AIDS (Life-Skills Education) grant in respect of goods that had not been delivered prior to year-end and funds which were withheld due to delays in procurement mainly on *Goods and services*. An amount of R9.727 million was, also allocated in respect of funds which were withheld by National Treasury. These funds were withheld due to delays in procuring HIV and AIDS related teacher training, first aid kits and scales for schools as bid specifications were not finalised as planned. These goods and services have since been procured and delivered.

- R867 000 for the EPWP Integrated Grant for Provinces in respect of invoices that could not be paid prior to year-end, against *Compensation of employees*.

Virements – Programme 2: Public Ordinary School Education: R728 million

Programme 2 was increased by a net amount of R728 million as a result of the following movements across programmes:

- Programme 8 was decreased by R710 million due to enforced savings and financial controls against *Buildings and other fixed structures*. This was allocated to Programme 2 to provide for spending pressures in *Compensation of employees* due to the higher than budgeted 2014 annual wage adjustment, as well as carry-through costs due to previous years' wage agreements, including OSDs.
- Programme 4 was decreased by R18 million against *Transfers and subsidies to: Non-profit institutions* to Programme 2 as follows:
 - *Goods and services* was increased by R7.200 million to cater for expenditure related to inclusive education since most full service schools which offer inclusive education are within this programme. The allocation will be utilised toward purchases for Non Section 21 schools, including purchases of furniture for the care centres in full service schools.
 - *Transfers and subsidies to: Non-profit institutions* was increased by R10.800 million relating to transfers to Section 21 full service schools which provide inclusive education. This is to ensure that the full service schools cater for all learners regardless of their barriers as per the provisions of the Education White paper 6 on Inclusive Education is implemented.

In addition to the above virements, the following virements were undertaken across economic categories within the programme

- R32.555 million was moved from *Transfers and subsidies to: Non-profit institutions* to *Goods and services* to cater for the schools that opted to purchase the LTSM through the managing agent.
- R608 000 was moved from *Goods and services* to *Transfers and subsidies to: Non-profit institutions* to cater for the transfers to schools in respect to the Dinaledi grant. These funds will be utilised by Section 21 schools for purchases of LTSM.

These virements are permissible in terms of the PFMA and Treasury Regulations. The increase in *Compensation of employees* was approved by Treasury. However, Legislature approval is required for the decrease in *Transfers and subsidies*.

Shifts – Programme 2: Public Ordinary School Education: (R448.159 million)

An amount of R448.159 million was decreased from this programme in order to conform to the sector budget programme structure for 2014/15. According to the department, this was an omission during the finalisation of the main budget, which the department is now correcting, and there is no change in purpose. The following sub-programmes were shifted to Programme 9 as follows:

- The sub-programme: Professional Services was shifted to Programme 9 in respect of *Compensation of employees* (R366.612 million). These funds were shifted to the same category in order to align to the Education sector budget programme structure.
- The HIV and AIDS (Life-Skills Education) grant was shifted to Programme 9 in respect of *Goods and services* (R70.747 million) and *Transfers and subsidies to: Non-profit institutions* (R10.800 million). These funds were shifted to the same category in order to align to the Education sector budget programme structure.

Other adjustments – Programme 2: Public Ordinary School Education: R70 million

An amount of R70 million was allocated from the provincial cash resources to *Goods and services* to assist the department with its in-year spending pressures.

Service delivery measures – Programme 2: Public Ordinary School Education

Table 5.8 below illustrates the main service delivery measures relevant to Programme 2. The department largely complied with the service delivery measures as prescribed by the Education sector.

It must be noted that some of the performance indicators in this programme are reported on annually, rather than quarterly, due to a decision taken by the Education sector. These are indicated by “Annual” in the table.

The service delivery measures reflected in the 2014/15 *EPRE* were not fully aligned to those in the department’s 2014/15 APP, therefore changes have been made to some of the targets to ensure alignment, and these are reflected in the revised target column.

Table 5.8: Service delivery measures – Programme 2 : Public Ordinary School Education

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
To provide access in the public ordinary schooling system in accordance with policy	• No. of learners enrolled in public ordinary schools	2 604 918	Annual	
	• No. of full service schools providing support to learners with learning barriers	26	Annual	
	• No. of learners in public ordinary schools benefitting from the No Fee policy	1 872 225	Annual	
	• No. of educators employed in public ordinary schools	88 957	85 271	85 271
	• No. of non-educator staff employed in public ordinary schools	11 396	11 136	
	• No. of learners benefitting from NSNP	2 264 420	2 233 987	
	• No. of learners benefitting from learner transport	26 319	28 119	
	• No. of learners with special education needs that are enrolled in public ordinary schools	28 000	Annual	
	• No. of full service schools providing support to learners with barriers	26	Annual	

4.3 Programme 3: Independent School Subsidies

The purpose of this programme is to support independent schools, in accordance with the South African Schools Act. One of the main aims of this programme is to ensure timeous and orderly registration of independent schools in terms of the South African Schools’ Act, as well as other legislative frameworks. These schools are evaluated and monitored by the department, and their capacity is developed to ensure the effective functioning of these schools and their governing bodies.

Tables 5.9 and 5.10 below reflect a summary of the 2014/15 adjusted appropriation of Programme 3, summarised according to sub-programmes and economic classification.

There were no adjustments to the main appropriation for this programme.

Table 5.9: Programme 3: Independent School Subsidies

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Primary Phase	45 654						-	45 654
Secondary Phase	28 741						-	28 741
Total	74 395	-	-	-	-	-	-	74 395
Amount to be voted								-

Table 5.10: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	-	-	-	-	-	-	-	-
Compensation of employees							-	-
Goods and services							-	-
Interest and rent on land							-	-
Transfers and subsidies to:	74 395	-	-	-	-	-	-	74 395
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	74 395						-	74 395
Households							-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Buildings and other fixed structures							-	-
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	74 395	-	-	-	-	-	-	74 395
Amount to be voted								-

Service delivery measures – Programme 3: Independent School Subsidies

Table 5.11 below illustrates the main service delivery measures relevant to Programme 3: Independent School Subsidies. The department complied with the service delivery measures as prescribed by the Education sector.

It must be noted that the performance indicator in this programme is reported on annually rather than quarterly, due to a decision taken by the Education sector, as indicated in the table. There were no changes to the targets as they are fully aligned to APP and EPRE.

Table 5.11: Service delivery measures – Programme 3 : Independent School Subsidies

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
To ensure that quality education occurs in independent schools	<ul style="list-style-type: none"> No. of learners in subsidised independent schools 	32 500	Annual	

4.4 Programme 4: Public Special School Education

The purpose of this programme is to provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on Inclusive Education.

Tables 5.12 and 5.13 below reflect a summary of the 2014/15 adjusted appropriation of Programme 4. Details of the main adjustments, which led to the overall increase of R32 million, are given in the paragraphs below.

Table 5.12: Programme 4: Public Special School Education

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Special Schools	798 431			32 000			32 000	830 431
Human Resource Development	4 000						-	4 000
OSD for Therapists	41 581						-	41 581
Total	844 012	-	-	32 000	-	-	32 000	876 012
Amount to be voted								32 000

Table 5.13: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
Current payments	699 414	-	-	50 000	-	50 000	749 414
Compensation of employees	695 414			50 000		50 000	745 414
Goods and services	4 000					-	4 000
Interest and rent on land						-	-
Transfers and subsidies to:	144 598	-	-	(18 000)	-	(18 000)	126 598
Provinces and municipalities						-	-
Departmental agencies and accounts						-	-
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions	143 091			(18 000)		(18 000)	125 091
Households	1 507					-	1 507
Payments for capital assets	-	-	-	-	-	-	-
Buildings and other fixed structures						-	-
Machinery and equipment						-	-
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
Payments for financial assets	-					-	-
Total	844 012	-	-	32 000	-	32 000	876 012
Amount to be voted							32 000

Virement – Programme 4: Public Special School Education: R32 million

Programme 4 was increased by a net amount of R32 million as a result of the following movements across programmes:

- Programme 8 was decreased by R50 million due to enforced savings and financial controls against *Buildings and other fixed structures*. This was allocated to Programme 4 in order to ease spending pressures in *Compensation of employees* in respect of higher than budgeted wage adjustments, as well as carry-through costs due to previous years' wage agreements including OSD.
- This was offset by a reduction of R18 million from *Transfers and subsidies to: Non-profit institutions* moved to Programme 2, against *Transfers and subsidies to: Non-profit institutions* (R10.800 million) and the balance of R7.200 million against *Goods and services*, as discussed.

These virements are permissible in terms of the PFMA and Treasury Regulations. The increase in *Compensation of employees* was approved by Treasury. However, Legislature approval is required for the decrease in *Transfers and subsidies*.

Service delivery measures – Programme 4: Public Special School Education

Table 5.14 below illustrates the main service delivery measures relevant to Programme 4. The department largely complied with the service delivery measures as prescribed by the Education sector. It must be noted that one of the performance indicators in this programme is reported on annually rather than quarterly, due to a decision taken by the Education sector. This is indicated by "Annual" in the table. The service delivery measures reflected in the 2014/15 EPRE were not fully aligned to those in the department's 2014/15 APP, therefore a change has been made to one of the targets to ensure alignment, and this is reflected in the revised target column.

Table 5.14: Service delivery measures – Programme 4 : Public Special School Education

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
To provide access to special schools in accordance with policy and principles of inclusive education	• No. of learners enrolled in public special schools	17 177	Annual	
	• No. of educators employed in public special schools	1 560	1 464	1 468
	• No. of professional non-teaching staff employed in public special schools	323	198	

4.5 Programme 5: Further Education and Training

The aim of this programme is to provide Further Education and Training (FET) at public FET colleges, in accordance with the Further Education and Training Act.

Tables 5.15 and 5.16 below reflect a summary of the 2014/15 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification.

There were no changes to the main appropriation for this programme, although there were some virements between economic categories as shown in the tables below.

Table 5.15: Programme 5: Further Education and Training

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
FET Colleges Sector grant	351 475						-	351 475
Total	351 475	-	-	-	-	-	-	351 475
Amount to be voted								-

Table 5.16: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	351 475	-	-	(54 084)	-	-	(54 084)	297 391
Compensation of employees	351 475			(54 084)			(54 084)	297 391
Goods and services							-	-
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	54 084	-	-	54 084	54 084
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions				54 084			54 084	54 084
Households							-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Buildings and other fixed structures							-	-
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	351 475	-	-	-	-	-	-	351 475
Amount to be voted								-

Virement – Programme 5: Further Education and Training

An amount of R54.084 million was moved between economic categories from *Compensation of employees* to *Transfers and subsidies to: Non-profit institutions*, in respect of unspent funds for the FET Colleges Sector grant which is permissible in terms of the grant framework, which states that unspent funds earmarked for personnel costs must be transferred to FET colleges at year-end. There was no net effect on the programme allocation.

The virement is permissible in terms of the PFMA and Treasury Regulations. The increase in *Transfers and subsidies to: Non-profit institutions* received Treasury approval.

Service delivery measures – Programme 5: Further Education and Training

Table 5.17 below illustrates the main service delivery measures relevant to Programme 5. The department complied with the service delivery measures as prescribed by the Education sector.

It must be noted that the performance indicators in this programme are reported on annually rather than quarterly, due to a decision taken by the Education sector. These are indicated by “Annual” in the table.

Table 5.17: Service delivery measures – Programme 5 : Further Education and Training

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
5.1 To expand the FET College sector in terms of the economic and social needs of the country	<ul style="list-style-type: none"> No. of students enrolled in NC(V) courses in public FET colleges 	31 696	Annual	
5.2 To provide relevant and responsive quality FET learning opportunities	<ul style="list-style-type: none"> No. of FET college NC(V) students who completed full courses successfully 	16 289	Annual	

4.6 Programme 6: Adult Basic Education and Training

The objective of this programme is to provide ABET in accordance with the Adult Basic Education and Training Act. It therefore has the responsibility of implementing the national government initiative to afford adults the chance to improve their level of literacy and numeracy.

Tables 5.18 and 5.19 below reflect a summary of the 2014/15 adjusted appropriation of Programme 6, summarised according to sub-programme and economic classification. There are no changes to this programme's budget as reflected on the tables below.

Table 5.18: Programme 6: Adult Basic Education and Training

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Public Centres	176 353						-	176 353
Human Resource Development	1 000						-	1 000
Total	177 353	-	-	-	-	-	-	177 353
Amount to be voted								-

Table 5.19: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	177 325	-	-	-	-	-	-	177 325
Compensation of employees	172 779						-	172 779
Goods and services	4 546						-	4 546
Interest and rent on land							-	-
Transfers and subsidies to:	28	-	-	-	-	-	-	28
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	28						-	28
Payments for capital assets	-	-	-	-	-	-	-	-
Buildings and other fixed structures							-	-
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-						-	-
Total	177 353	-	-	-	-	-	-	177 353
Amount to be voted								-

Service delivery measures – Programme 6: Adult Basic Education and Training

Table 5.20 illustrates the main service delivery measures relevant to Programme 6. The department complied with the service delivery measures as prescribed by the Education sector. It must be noted that the performance indicators in this programme are reported on annually rather than quarterly, due to a decision taken by the Education sector. The measures in the EPRE are fully aligned with the APP.

Table 5.20: Service delivery measures – Programme 6 : Adult Basic Education and Training

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year Actual	2014/15 Revised target
To ensure that all adults without basic education have access to AET centres	• No. of learners enrolled in public AET centres in the province	61 000	Annual	
	• No. of educators employed in public AET centres	6 820	Annual	

4.7 Programme 7: Early Childhood Development

Programme 7's aim is to provide for Early Childhood Development (ECD) at the Grade R and earlier levels in accordance with White Paper 5 on ECD.

Tables 5.21 and 5.22 below reflect a summary of the 2014/15 adjusted appropriation of Programme 7, summarised according to sub-programme and economic classification.

There were no changes to the main appropriation for this programme, although there were shifts between economic categories, as shown in the tables below.

Table 5.21: Programme 7: Early Childhood Development

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Grade R in Public Schools	414 769						-	414 769
Grade R in Community Centres	102 805						-	102 805
Pre-grade R	128 894						-	128 894
Human Resource Development	5 000						-	5 000
Total	651 468	-	-	-	-	-	-	651 468
Amount to be voted								-

Table 5.22: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	619 969	-	-	-	-	-	-	619 969
Compensation of employees	566 989				(67 000)		(67 000)	499 989
Goods and services	52 980				67 000		67 000	119 980
Interest and rent on land							-	-
Transfers and subsidies to:	31 499	-	-	-	-	-	-	31 499
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	31 499						-	31 499
Households							-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Buildings and other fixed structures							-	-
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-						-	-
Total	651 468	-	-	-	-	-	-	651 468
Amount to be voted								-

Shifts – Programme 7: Early Childhood Development

The department undertook shifts within the programme, shifting R67 million from *Compensation of employees* to provide for expenditure related to training with respect to Pre-Grade R. According to the department, the funds were inadvertently allocated against *Compensation of employees* while portion of the funds related to training and development, which they are now correcting.

Service delivery measures – Programme 7: Early Childhood Development

Table 5.23 below illustrates the main service delivery measures relevant to Programme 7. The department largely complied with the service delivery measures as prescribed by the Education sector. It must be noted that the performance indicators in this programme are reported on annually rather than quarterly, due to a decision taken by the Education sector. The service delivery measures reflected in the 2014/15 *EPRE* were not fully aligned to those in the department's 2014/15 APP, therefore a change has been made to one of the targets to ensure alignment, and this is reflected in the revised target column.

Table 5.23: Service delivery measures – Programme 7: Early Childhood Development

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
To provide publicly funded Grade R in accordance with policy	<ul style="list-style-type: none"> No. of Grade R learners in public schools No. of public schools that offer Grade R No of Grade R practitioners employed in public ordinary schools 	230 000	Annual	
		3 948	Annual	3 953
		5 600	6 471	

4.8 Programme 8: Infrastructure Development

The aim of this programme is to provide and maintain infrastructure facilities for the administration and schools. It thus reflects the implementation of infrastructure across all affected programmes.

Tables 5.24 and 5.25 below reflect a summary of the 2014/15 adjusted appropriation of Programme 8, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in a net decrease of R860 million, are given in the paragraphs below the tables.

Table 5.24: Programme 8: Infrastructure Development

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Administration	176 053						-	176 053
Public Ordinary School Education	1 702 566			(860 000)			(860 000)	842 566
Public Special School Education	392 463						-	392 463
Early Childhood Development	451 267						-	451 267
Total	2 722 349	-	-	(860 000)	-	-	(860 000)	1 862 349
Amount to be voted								(860 000)

Table 5.25: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	149 412	-	-	-	-	-	-	149 412
Compensation of employees							-	-
Goods and services	149 412						-	149 412
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	2 572 937	-	-	(860 000)	-	-	(860 000)	1 712 937
Buildings and other fixed structures	2 572 937			(860 000)			(860 000)	1 712 937
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	2 722 349	-	-	(860 000)	-	-	(860 000)	1 862 349
Amount to be voted								(860 000)

Virement – Programme 8: Infrastructure Development: (R860 million)

An amount of R860 million was reduced from this programme in order to ease spending pressures against *Compensation of employees* in Programme 1 (R100 million), Programme 2 (R710 million) and Programme 4 (R50 million), respectively. This is in respect of implementation of the departmental internal cost containment plan and enforced savings to ensure that the spending pressures are contained. The equitable share allocation of the capital infrastructure will be utilised toward defraying excess expenditure in *Compensation of employees*. This virement is in respect of pressures related to the implementation of the higher than anticipated 2014 annual wage adjustments and carry-through costs for previous years' wage agreements, and DPSA directives related to upgrades in salary levels for security guards, as previously mentioned.

These virements are permissible in terms of the PFMA and Treasury Regulations. The virement undertaken from this programme requires Legislature approval, as it exceeds the 8 per cent threshold in terms of the PFMA, and approval is also required for the decrease in *Payments for capital assets*.

Service delivery measures – Programme 8: Infrastructure Development

Table 5.26 below illustrates the main sector specific service delivery measures relevant to Programme 8. The department complied with the service delivery measures as prescribed by the Education sector and the targets remain unchanged from the *EPRE*.

Table 5.26: Service delivery measures – Programme 8: Infrastructure Development

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
To put in place basic infrastructure for schooling in accordance with policy	• No. of public ordinary schools to be provided with water supply	325	Annual	
	• No. of public ordinary schools to be provided with electricity	100	Annual	
	• No. of public ordinary schools provided with sanitation facilities	325	Annual	
	• No. of classrooms built in public ordinary schools	1 400	Annual	
	• No. of specialist rooms built in public ordinary schools (all rooms except classrooms – include laboratories, stock rooms, sick bays, kitchens)	1 000	Annual	

4.9 Programme 9: Auxiliary and Associated Services

The purpose of Programme 9 is to provide examination support services to learners in the relevant grades, and ensure quality in the provision of education, through quality assurance.

Tables 5.27 and 5.28 below reflect a summary of the 2014/15 adjusted appropriation of Programme 9, summarised according to sub-programmes and economic classification.

Details of the main adjustments, which resulted in an overall increase of R448.159 million, are given in the paragraphs following the tables.

Table 5.27: Programme 9: Auxiliary and Associated Services

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Payments to SETA	22 030					-	22 030
Examination Services	657 244					-	657 244
Professional Services					366 612	366 612	366 612
HIV and AIDS (Life-Skills Education) grant					81 547	81 547	81 547
Total	679 274	-	-	-	448 159	-	1 127 433
Amount to be voted							448 159

Table 5.28: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	657 244	-	-	-	437 359	-	437 359	1 094 603
Compensation of employees	392 976				366 612		366 612	759 588
Goods and services	264 268				70 747		70 747	335 015
Interest and rent on land							-	-
Transfers and subsidies to:	22 030	-	-	-	10 800	-	10 800	32 830
Provinces and municipalities							-	-
Departmental agencies and accounts	22 030						-	22 030
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions					10 800		10 800	10 800
Households							-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Buildings and other fixed structures							-	-
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-						-	-
Total	679 274	-	-	-	448 159	-	448 159	1 127 433
Amount to be voted								448 159

Shifts – Programme 9: Auxiliary and Associated Services: R448.159 million

Programme 9's budget was increased by R448.159 million in order to conform to the budget programme structure for the sector. According to the department, these funds were incorrectly allocated against Programme 2 during the finalisation of the main budget, which they are now correcting. The main appropriation for the programme was increased as follows:

- An amount of R336.612 million was moved to the sub-programme: Professional Services shifted from Programme 2 from *Compensation of employees* in order to correctly align with the budget programme structure for the sector. These funds were shifted to the same category in order to align to the Education sector budget programme structure, and there was no change in the purpose.
- HIV and AIDS (Life-Skills Education) grant was shifted from Programme 2, with an amount of R81.547 million from *Goods and services* (R70.747 million) and *Transfers and subsidies to: Non-profit institutions* (R10.800 million). These funds were shifted to the same category in order to align to the Education sector budget programme structure and there was no change in the purpose.

Service delivery measures – Programme 9: Auxiliary and Associated Services

Table 5.29 below illustrates the main service delivery measures relevant to Programme 9. The department complied with the service delivery measures as prescribed by the Education sector.

It must be noted that the performance indicators in this programme are reported on annually rather than quarterly, due to a decision taken by the Education sector. These are indicated by "Annual" in the table.

Table 5.29: Service delivery measures – Programme 9: Auxiliary and Associated Services

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
To provide specialist support services with support functions to Public Ordinary Schools	• No. of candidates who enroll for Grade 12 senior certificate examinations	40 000	Annual	
	• No. of candidates who passed NSC	115 000	Annual	
	• No. of learners who obtained bachelor passes in NSC	48 392	Annual	
	• No. of learners who passed Maths in the NSC examinations	43 108	Annual	
	• No. of learners who passed Physical Science in the NSC examinations	38 960	Annual	

Table 5.29: Service delivery measures – Programme 9: Auxiliary and Associated Services

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
	• No. of Grade 3 learners who achieved at the accepted level in Language of the Annual National Assessment (ANA)	135 290	Annual	
	• No. of Grade 6 learners who passed achieved at the accepted level in Language in the Annual National Assessment (ANA)	150 398	Annual	
	• No. of Grade 6 learners who passed achieved at the accepted level in Maths in the Annual National Assessment (ANA)	158 638	Annual	
	• No. of Grade 9 learners who passed achieved at the accepted			
	• No. of Grade 9 learners who passed achieved at the accepted level in Language in the Annual National Assessment (ANA)	112 498	Annual	
	• No. of Grade 9 learners who passed achieved at the accepted level in Maths in the Annual National Assessment (ANA)	104 463	Annual	

5. Gifts, donations and sponsorships

The department is not envisaging any gifts, donations and sponsorships exceeding R100 000 during the financial year.

6. Infrastructure

Table 5.30 summarises infrastructure payments per main category. Details of the main adjustments to the infrastructure allocation, which led to a net decrease of R860 million, are provided below.

Table 5.30: Summary of infrastructure payments by category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	1 533 519	-	-	(860 000)	-	-	(860 000)	673 519
Maintenance and repair: Current	149 412						-	149 412
Upgrades and additions: Capital	795 334			(560 000)			(560 000)	235 334
Refurbishment and rehabilitation: Capital	588 772			(300 000)			(300 000)	288 772
New infrastructure assets: Capital	1 188 830						-	1 188 830
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-						-	-
Infrastructure transfers: Current	-						-	-
Infrastructure: Payments for fin assets	-						-	-
Infrastructure: Leases	-						-	-
Capital infrastructure	2 572 937	-	-	(860 000)	-	-	(860 000)	1 712 937
Current infrastructure	149 412	-	-	-	-	-	-	149 412
Total	2 722 349	-	-	(860 000)	-	-	(860 000)	1 862 349
Amount to be voted								(860 000)

- **Virement:** The following virements were undertaken against the infrastructure budget of the department resulting in a decrease of R860 million, due to enforced savings, as follows:
 - R560 million was identified against *Upgrades and additions: Capital* due to enforced savings to offset spending pressures against *Compensation of employees* as part of the implementation of the departmental internal cost containment plan. These funds were reduced against the equitable share allocation, since conditional grants cannot be utilised for any other purpose.
 - R300 million was identified against *Refurbishment and rehabilitation: Capital* due to enforced savings to offset pressures against *Compensation of employees* as part of the implementation of the departmental internal cost containment plan. These funds were reduced against the equitable share allocation, since conditional grants cannot be utilised for any other purpose.

These virements are permissible in terms of the PFMA and Treasury Regulations. However, Legislature approval is required for the decrease in *Payments for capital assets*.

7. Conditional grants

Tables 5.31 and 5.32 provide a summary of changes to conditional grants. Details of the adjustments to the conditional grants, which led to an overall increase of R55.362 million, are provided in the paragraphs following the tables.

Table 5.31: Summary of changes to conditional grants

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
2. Public Ordinary School Education	2 745 074	55 362	-	-	(81 547)	-	(26 185)	2 718 889
Education Infrastructure grant	1 385 781						-	1 385 781
HIV and AIDS (Life-Skills Education) grant	52 261	29 286			(81 547)		(52 261)	-
National School Nutrition Programme grant	1 237 534	15 766					15 766	1 253 300
Dinaledi Schools grant	19 568	1 890					1 890	21 458
EPWP Integrated Grant for Provinces	2 070	867					867	2 937
Social Sector EPWP Incentive Grant for Provinces	2 580						-	2 580
Technical Secondary Schools Recap. grant	45 280	7 553					7 553	52 833
4. Public Special School Education	41 581	-	-	-	-	-	-	41 581
OSD for Therapists	41 581						-	41 581
5. Further Education and Training	351 475	-	-	-	-	-	-	351 475
FET College Sector grant	351 475						-	351 475
9. Auxiliary and Associated Services	-	-	-	-	81 547	-	81 547	81 547
HIV and AIDS (Life-Skills Education) grant					81 547		81 547	81 547
Total	3 138 130	55 362	-	-	-	-	55 362	3 193 492
Amount to be voted								55 362

Table 5.32: Summary of conditional grants by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	1 828 768	47 809	-	(54 692)	-	-	(6 883)	1 821 885
Compensation of employees	401 549	867		(54 084)			(53 217)	348 332
Goods and services	1 427 219	46 942		(608)			46 334	1 473 553
Interest and rent on land							-	-
Transfers and subsidies to:	10 800	-	-	54 692	-	-	54 692	65 492
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	10 800			54 692			54 692	65 492
Households							-	-
Payments for capital assets	1 298 562	7 553	-	-	-	-	7 553	1 306 115
Buildings and other fixed structures	1 265 612						-	1 265 612
Machinery and equipment	32 950	7 553					7 553	40 503
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	3 138 130	55 362	-	-	-	-	55 362	3 193 492
Amount to be voted								55 362

Roll-overs: An amount of R55.362 million was rolled over from 2013/14 as follows:

- o R15.766 million in respect of the NSNP conditional grant. This relates to February and March invoices which could not be paid before year-end.
- o R7.553 million in respect of the Technical Secondary Schools Recapitalisation grant for equipment that was ordered but not delivered before year-end.
- o R1.890 million for the Dinaledi Schools grant in respect of goods not delivered before year-end.
- o R19.559 million for the HIV and AIDS (Life-skills Education) grant in respect of goods that had not been delivered prior to year-end and funds which were withheld due to delays in procuring. In addition, an amount of R9.727 million relates to funds that were withheld by

National Treasury due to delays in procuring HIV and AIDS related teacher training, first aid kits and scales for schools as bid specifications were not finalised as planned.

- o R867 000 for the EPWP Integrated Grant for Provinces in respect of invoices that could not be paid prior to year-end.
- *Virement*: The following virements were undertaken under the conditional grants:
 - o R608 000 was moved from *Goods and services* to *Transfers and subsidies to: Non-profit institutions* in order to cater for the transfers to schools with respect to the Dinaledi Schools grant, as previously explained.
 - o R54.084 million was moved between economic categories from *Compensation of employees* to *Transfers and subsidies to: Non-profit institutions*, in respect of unspent funds for the FET Colleges Sector grant which is permissible in terms of the grant framework, which states that unspent funds earmarked for personnel costs must be transferred to FET colleges at year-end. There was no net effect on the programme allocation.
- *Shifts*: HIV and AIDS (Life-Skills Education) grant was shifted from Programme 2, with an amount of R81.547 million moved from *Goods and services* (R70.747 million) and *Transfers and subsidies to: Non-profit institutions* (R10.800 million). These funds were shifted to the same category in order to align to the Education sector budget programme structure.

8. Transfers and subsidies

Table 5.33 shows a summary of transfers and subsidies per programme. The adjustments in transfers and subsidies resulted in an overall increase of R15.937 million which is explained in detail in the paragraphs below the table.

Table 5.33: Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
1. Administration	29 646	-	-	1 000	-	-	1 000	30 646
Provinces and municipalities	1 100	-	-	1 000	-	-	1 000	2 100
Motor vehicle licences	1 100	-	-	1 000	-	-	1 000	2 100
Households	28 546	-	-	-	-	-	-	28 546
Social benefit - Post retirement benefit	28 546	-	-	-	-	-	-	28 546
2. Public Ordinary Schools	1 529 383	-	-	(21 147)	-	-	(21 147)	1 508 236
Non-profit institutions	1 498 691	-	-	(21 147)	-	-	(21 147)	1 477 544
Section 21 schools	1 498 691	-	-	(21 147)	-	-	(21 147)	1 477 544
Households	30 692	-	-	-	-	-	-	30 692
Social benefit - Post retirement benefit	30 692	-	-	-	-	-	-	30 692
3. Independent Schools Subsidies	74 395	-	-	-	-	-	-	74 395
Non-profit institutions	74 395	-	-	-	-	-	-	74 395
Independent schools	74 395	-	-	-	-	-	-	74 395
4. Public Special Schools	144 598	-	-	(18 000)	-	-	(18 000)	126 598
Non-profit institutions	143 091	-	-	(18 000)	-	-	(18 000)	125 091
Public special schools	143 091	-	-	(18 000)	-	-	(18 000)	125 091
Households	1 507	-	-	-	-	-	-	1 507
Social benefit - Post retirement benefit	1 507	-	-	-	-	-	-	1 507
5. Further Education and Training	-	-	-	54 084	-	-	54 084	54 084
Non-profit institutions	-	-	-	54 084	-	-	54 084	54 084
FET colleges	-	-	-	54 084	-	-	54 084	54 084
6. Adult Basic Education	28	-	-	-	-	-	-	28
Households	28	-	-	-	-	-	-	28
Social benefit - Post retirement benefit	28	-	-	-	-	-	-	28
7. Early Childhood Development	31 499	-	-	-	-	-	-	31 499
Non-profit institutions	31 499	-	-	-	-	-	-	31 499
ECD centres	31 499	-	-	-	-	-	-	31 499
9. Auxilliary and Associated Services	22 030	-	-	-	-	-	-	22 030
Departmental agencies and accounts	22 030	-	-	-	-	-	-	22 030
ETDP SETA (Skills Development Levy)	22 030	-	-	-	-	-	-	22 030
Total	1 831 579	-	-	15 937	-	-	15 937	1 847 516
Amount to be voted								15 937

- *Virement*: The following virements were undertaken under *Transfers and subsidies*:
 - R1 million was moved within Programme 1 from *Goods and services* to *Provinces and municipalities* to cater for the payment of motor vehicle licences for the departmental fleet.
 - R32.555 million was moved within Programme 2 from *Non-profit institutions* to *Goods and services* in order to cater for schools that opted to purchase the LTSM through the managing agent.
 - R608 000 was moved within Programme 2 from *Goods and services* to *Non-profit institutions* in order to cater for the transfers to schools in respect to the Dinaledi Schools grant. These funds will be utilised by Section 21 schools for purchases of LTSM.
 - R10.800 million was moved from *Non-profit institutions* in Programme 4 to Programme 2 within the same economic category related to transfers to Section 21 full service schools which provide inclusive education. This is to ensure that the requirement of the Education White Paper 6 on Inclusive Education is implemented. According to the department, it has created the relevant objective and responsibility in this programme in order to ensure correct alignment of expenditure.
 - R18 million was moved from Programme 4 to Programme 2 with R10.800 million to *Non-profit institutions* and the balance was moved to *Goods and services*, as previously discussed.
 - R54.084 million was moved between economic categories within Programme 5 from *Compensation of employees* to *Non-profit institutions*, in respect of unspent funds for the FET Colleges Sector grant which is permissible in terms of the grant framework, which states that unspent funds earmarked for personnel costs must be transferred to FET colleges at year-end.

9. Transfers to local government

There were no transfers and subsidies to local government made by the department. It is noted that an adjusted appropriation of R2.100 million is reflected against *Transfers and subsidies to: Provinces and municipalities* in Table 5.33 above. This relates to the payment of motor vehicle licences. As this amount will not be transferred to any municipality, the table reflecting transfers to local government is excluded.

10. Actual payments and revised spending projections for the rest of 2014/15

Tables 5.34 and 5.35 reflect actual payments as at the end of September 2014, projected payments for the rest of the year, in rand value and as a percentage of the adjusted appropriation per programme and economic classification, the revised projected spending for the year, and the 2013/14 audited outcome.

Table 5.34: Actual payments and revised spending projections by programme

R thousand	2013/14 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '14 - September 2014	% of budget	October '14 - March 2015	% of budget	
1. Administration	1 444 983	1 430 703	741 843	51.9	688 860	48.1	1 430 703
2. Public Ordinary School Education	31 252 480	33 043 743	16 723 165	50.6	16 320 578	49.4	33 043 743
3. Independent School Subsidies	77 701	74 395	35 300	47.4	39 095	52.5	74 395
4. Public Special School Education	845 431	876 012	505 126	57.7	370 886	42.3	876 012
5. Further Education and Training	288 525	351 475	104 261	29.7	247 214	70.3	351 475
6. Adult Basic Education and Training	142 579	177 353	88 625	50.0	88 728	50.0	177 353
7. Early Childhood Education	437 335	651 468	223 462	34.3	428 006	65.7	651 468
8. Infrastructure Development	2 546 896	1 862 349	1 532 953	82.3	329 396	17.7	1 862 349
9. Auxiliary and Associated Services	551 216	1 127 433	137 924	12.2	989 509	87.8	1 127 433
Total	37 587 146	39 594 931	20 092 659	50.7	19 502 272	49.3	39 594 931

Table 5.35: Actual payments and revised spending projections by economic classification

R thousand	2013/14 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '14 - September 2014	% of budget	October '14 - March 2015	% of budget	
Current payments	33 525 478	35 992 975	17 340 819	48.2	18 637 587	51.8	35 978 406
Compensation of employees	30 339 470	32 713 730	16 138 370	49.3	16 575 360	50.7	32 713 730
Goods and services	3 180 271	3 279 245	1 200 780	36.6	2 062 227	62.9	3 263 007
Interest and rent on land	5 737	-	1 669	-	-	-	1 669
Transfers and subsidies to:	1 681 197	1 847 516	1 351 212	73.1	510 873	27.7	1 862 085
Provinces and municipalities	740	2 100	1 586	75.5	514	24.5	2 100
Departmental agencies and accounts	22 358	22 030	-	-	22 030	100.0	22 030
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	1 548 331	1 762 613	1 274 284	72.3	488 329	27.7	1 762 613
Households	109 768	60 773	75 342	124.0	-	-	75 342
Payments for capital assets	2 380 471	1 754 440	1 400 628	79.8	353 812	20.2	1 754 440
Buildings and other fixed structures	2 360 611	1 712 937	1 397 004	81.6	315 933	18.4	1 712 937
Machinery and equipment	19 860	41 503	3 624	8.7	37 879	91.3	41 503
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-
Total	37 587 146	39 594 931	20 092 659	50.7	19 502 272	49.3	39 594 931

The department's spending trend against the adjusted appropriation was at 50.7 per cent in the first half of the year, and reflecting a projected balanced budget at year-end. This is due to the reduction of the infrastructure budget, as well as the implementation of the departmental internal cost containment plan with concerted effort to reduce over-expenditure.

Notwithstanding the above balanced budget, *Compensation of employees* is still a concern, considering the fact that the second half of the year projections are higher than mid-year actual, indicating a possible over-expenditure. Additional reprioritisation at year-end will have to be undertaken in order to eliminate this possible over-expenditure against *Compensation of employees*. However, the year-end virements will be subjected to the strict rules as stipulated in the PFMA and Treasury Regulations.

The spending on *Goods and services* was low at mid-year at 36.6 per cent, which is reflective of the slow progress in the spending for most of the conditional grants and the implementation of enforced savings in order to remain within budget. There were delays in the finalisation of purchases for LTSM in respect of textbooks, which will be undertaken in the third quarter as reflected on the projections for the second half of the year.

The spending on *Buildings and other fixed structure* was high at mid-year at 81.6 per cent, compared to the adjusted budget this was aggravated by payment of accruals from the previous year. The projections for the second half of the year are low indicative of the reduction in the budget.