

VOTE 5

GAUTENG DEPARTMENT OF EDUCATION

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	39 069 226	39 508 650		439 424
of which:				
Current payments	32 000 928	32 771 752		770 824
Transfers and subsidies	4 316 323	3 984 235	(332 088)	
Payments for capital assets	2 751 975	2 752 663		688
Payment for financial assets				
Executive authority	MEC for Education			
Accounting officer	Head of Department			

1. Vision and Mission

Vision

Every learner feels valued and inspired in our innovative education system.

Mission

We are committed to provide functional and modern schools that enable quality teaching and learning to protect and promote the right of every learner to quality, equitable and relevant education.

2. Changes to programme name, purpose, objective and measures

No changes.

3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 5.1: DEPARTMENT OF EDUCATION

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Administration	2 713 306				45 307				45 307	2 758 613
2. Public Ordinary School Education	28 624 341			157 000	(7 744)		4 344	205 000	358 600	28 982 941
3. Independent School Subsidies	580 498				29 325				29 325	609 823
4. Public Special School Education	2 021 733				34 381			55 000	89 381	2 111 114
5. Early Childhood Development	811 339				(40 000)				(40 000)	771 339
6. Infrastructure Development	3 010 234									3 010 234
7. Examination and Education Related Services	1 307 775			18 080	(61 269)				(43 189)	1 264 586
Total for programmes	39 069 226			175 080			4 344	260 000	439 424	39 508 650

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	32 000 928			18 080	488 400		4 344	260 000	770 824	32 771 752
Compensation of employees	28 214 940				(2 480)			155 000	152 520	28 367 460
Salaries & wages	24 380 558				(4 473)			155 000	150 527	24 531 085
Social contribution	3 834 382				1 993				1 993	3 836 375
Goods and services	3 785 988			18 080	490 880		4 344	105 000	618 304	4 404 292
Transfers and subsidies	4 316 323			157 000	(489 088)				(332 088)	3 984 235
Departmental agencies and accounts	80 531									80 531
Non-profit institutions	3 886 478			157 000	(489 088)				(332 088)	3 554 390
Households	349 314									349 314
Payments for capital assets	2 751 975				688				688	2 752 663
Buildings and other fixed structures	2 661 454				(76 112)				(76 112)	2 585 342
Machinery and equipment	74 921				41 864				41 864	116 785
Land and sub-soil assets	15 000				31 614				31 614	46 614
Software and other intangible assets	600				3 322				3 322	3 922
Total economic classification	39 069 226			175 080			4 344	260 000	439 424	39 508 650

The 2016/17 main appropriation of the department increases by a net amount of R439.4 million to an adjusted appropriation of R39.5 billion. The department received a rollover amounting to R175 million of which R157 million is for transfer to Sci-bono Discovery Centre, and R18 million is for the settlement of senior management service conference cost and development courses for middle and foundation managers.

Furthermore, the department received additional funding amounting to R264.3 million. Of this amount, R155 million will be allocated to compensation of employees as the department is in the process of filling critical vacant posts, the appointment of teachers in new schools in 2017 academic year and to cover the shortfall in improvement in condition of service (ICS); whilst R105 million will be used to cover the shortfall for municipal services in schools as a result of an increase in the price of electricity and R4.3 million is allocated for the National School Nutrition Programme Grant to cover a shortfall caused by high food inflation.

4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

Programme 1: Administration

TABLE 5.2: PROGRAMME 1 ADMINISTRATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Office Of The MEC	4 228									4 228
2. Corporate Services	1 569 563				42 538				42 538	1 612 101
3. Education Management	1 091 445				(231)				(231)	1 091 214
4. Human Resource Development	28 355									28 355
5. Education management Information Systems	19 715				3 000				3 000	22 715
Total for programme	2 713 306				45 307				45 307	2 758 613

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	2 690 599				40 699				40 699	2 731 298
Compensation of employees	2 173 724									2 173 724
Salaries & wages	1 856 533									1 856 533
Social contribution	317 191									317 191
Goods and services	516 875				40 699				40 699	557 574
Transfers and subsidies	5 250									5 250
Households	5 250									5 250
Payments for capital assets	17 457				4 608				4 608	22 065
Machinery and equipment	16 857				1 286				1 286	18 143
Software and other intangible assets	600				3 322				3 322	3 922
Total economic classification	2 713 306				45 307				45 307	2 758 613

TABLE 5.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(17 185)		57 884
Compensation of employees	The department has reduced costs on items such as communication by revising the usage limits of telephones, on agency outsourced service by using internal capacity for the development of IT systems such as South African School Administration and Management System (SA SAMS), school admissions, scholar transport management system, etc. Funds also shifted from fleet service as the running costs such as fuel, oil and e-tolls is less than anticipated.	(17 185)	Provision is made for the repair and maintenance of office equipment, the rental of GG vehicles and for the procurement of machinery and equipment for new employees. Funds are also allocated to cover costs for relocation of offices to a new buildings	57 884
Goods and services				
Interest and rent on land				
Transfers and subsidies				
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		(336)		4 944
Buildings and other fixed structures	Cost saving measures effected by extending the replacement period of existing assets.	(336)	Funds are allocated for the procurement of laptops and computers for the newly appointed staff.	1 622
Machinery and equipment				
Heritage assets			To cater for the Information Technology Services Management (ITSM) suite which is a service desk system. Provision is made to cover the excess costs as a result of changes in foreign exchange rate.	3 322
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(17 521)		62 828

Virements and shifts

Shiftings were done within the programme to address budget constraints in critical areas such as provision for school admissions system, repairs and maintenance of office equipment, costs relating to relocation of head office and provision of resources for newly recruited employees.

The programme is receiving an additional amount of R45.3 million through virements to address the costs for relocation of offices to new buildings of which R1.7 million is for branding and signage, R4.8 million for the compliance with the Occupational Health and Safety requirements by procuring emergency equipment, R1.3 million to create awareness for campaigns such as school admissions, matric announcements, national teacher awards, etc. and R37.5 million for connectivity to ensure that service delivery is not interrupted by relocation.

Programme 2: Public Ordinary School Education

TABLE 5.4: PROGRAMME 2: PUBLIC ORDINARY SCHOOL

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Public Primary Schools	15 469 718				(200 931)			163 000	(37 931)	15 431 787
2. Public Secondary Schools	12 201 047			157 000	193 187			42 000	392 187	12 593 234
3. Human Resource Development	156 477									156 477
4. School Sport, Culture and Media Services	1 885									1 885
5. Conditional Grants	795 214						4 344		4 344	799 558
Total for programmes	28 624 341			157 000	(7 744)		4 344	205 000	358 600	28 982 941

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	25 963 292				363 411		4 344	205 000	572 755	26 536 047
Compensation of employees	23 618 636				(17 465)			100 000	82 535	23 701 171
Salaries & wages	20 328 094				(15 217)			100 000	84 783	20 412 877
Social contribution	3 290 542				(2 248)				(2 248)	3 288 294
Goods and services	2 344 656				380 876		4 344	105 000	490 220	2 834 876
Transfers and subsidies	2 648 507			157 000	(371 218)				(214 218)	2 434 289
Non-profit institutions	2 543 070			157 000	(371 218)				(214 218)	2 328 852
Households	105 437									105 437
Payments for capital assets	12 542				63				63	12 605
Machinery and equipment	12 542				63				63	12 605
Total economic classification	28 624 341			157 000	(7 744)		4 344	205 000	358 600	28 982 941

TABLE 5.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: PUBLIC ORDINARY SCHOOL

Economic classification	Motivation	From	Motivation	To
Current payments		(163 562)		526 973
Compensation of employees	Reclassification of Magaliesburg Boarding School budget from Public Ordinary Schools to Public Special Schools.	(17 465)		
Goods and services	The mainstreaming of Gauteng Primary Literacy and Mathematics Strategy (GPLMS) resulted in savings as the activities will form part of the curriculum. Budget for the procurement of gas will be transferred to schools.	(146 097)	Provision for ICT LTSM to procure tablets, teacher laptops and e-content as well as the procurement of smartboards and mini-servers. In addition, funds allocated to offset pressures on principal communication costs, the repair and maintenance of school furniture and the procurement of new school furniture in response to increase in learner numbers.	526 973
Interest and rent on land				
Transfers and subsidies		(422 162)		50 944

Economic classification	Motivation	From	Motivation	To
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions	Reclassification of ICT funds from transfers to goods and services as Sci-Bono discovery centre will not perform the activities. Reprioritisation of the intervention budget which was allocated for the appointment of coaches as the impact that they make could not be measured, funds are therefore shifted to provide for the implementation of ICT Strategy.	(422 162)	Funds allocated for the procurement of gas for the school nutrition programme.	50 944
Households				
Payments for capital assets				63
Buildings and other fixed structures Machinery and equipment Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets			Funds allocated to procure machinery and equipment for skills development programme.	63
Payments for financial assets				
Total economic classification		(585 724)		577 980

Provincial roll-overs: R157 million

The Department continued with the second phase of ICT roll-out in 2015/16 financial year through Sci-Bono Discovery Centre. This phase included the roll out to 375 no fee secondary schools for grade 12 learners, uploading of e-content on the tablets, acquisition of laptops for educators and procurement of smartboards. As at 31 March 2016 the full amount for ICT was not spent and an amount of R157 million has been rolled over from 2015/16 for Grade 12 expansion of the ICT programme.

Virements and shifts

Savings were realized from mainstreaming of the Literacy and Numeracy (LITNUM) strategy. As a result, the department made a decision to reprioritize funds from interventions budget to address critical areas which are experiencing budget shortfalls. The areas covered are ICT strategy, procurement of school furniture and repairs and maintenance of school furniture. Furthermore, the department also made provision for principal's communication costs. An amount of R362.4 million which was allocated for ICT is reclassified from transfers and subsidies to goods and services to make provision for the procurement of assets as part of implementing the ICT Strategy.

The programme received a total amount of R24.2 million through virements which will cover shortfalls on items related to the implementation of ICT Strategy. An amount of R32 million for Magaliesburg Secondary School is reclassified to Public Special Schools. The school was incorrectly classified and allocated for as a Public Ordinary School.

Additional provincial funding: R205 million

Total additional funding allocated to the programme amounts to R205 million. An amount of R100 million is allocated to compensation of employees to cover the shortfall in the improvement in condition of services (ICS), filling of critical vacant posts and growth posts as a result of opening of new schools for 2017 academic year whilst R105 million will be used to cover the shortfall for municipal services in schools due to annual increase in the price of electricity.

Additional national funding: R4.3 million

An amount of R4.3 million is allocated for the National School Nutrition Programme Grant to cover a shortfall caused by high food inflation.

Programme 3: Independent School Subsidies

TABLE 5.6: PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Primary Phase	345 643				17 595				17 595	363 238
2. Secondary Phase	234 855				11 730				11 730	246 585
Total for programmes	580 498				29 325				29 325	609 823

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments										
Compensation of employees										
Salaries & wages										
Social contribution										
Goods and services										
Transfers and subsidies	580 498				29 325				29 325	609 823
Non-profit institutions	580 498				29 325				29 325	609 823
Households										
Total economic classification	580 498				29 325				29 325	609 823

TABLE 5.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

Economic classification	Motivation	From	Motivation	To
Current payments				
Compensation of employees				
Goods and services				
Interest and rent on land				
Transfers and subsidies				29 325
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions			Funds allocated to cover the increase in learner numbers and schools that meet the requirements for funding.	29 325
Households				
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification				29 325

Virements and Shifts

Transfers to Independent Schools are expected to exceed the allocated budget due to an increase in Provincial Allocation Expenditure per Learner (PAEPL), increased learner numbers and an increase in the number of schools qualifying for subsidy. The department revised its plans of training the ESSP employees and reprioritized R29.3 million to this programme.

Programme 4: Public Special Education

TABLE 5.8: PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Schools	2 018 535				32 000			55 000	87 000	2 105 535
2. Human Resource Development	1 948									1 948
3. School Sport, Culture & Media Services	1 250				2 381				2 381	3 631
Total for programmes	2 021 733				34 381			55 000	89 381	2 111 114

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	1 665 217				34 337			55 000	89 337	1 754 554
Compensation of employees	1 662 097				17 465			55 000	72 465	1 734 562
Salaries & wages	1 436 270				15 217			55 000	70 217	1 506 487
Social contribution	225 827				2 248				2 248	228 075
Goods and services	3 120				16 872				16 872	19 992
Transfers and subsidies	356 386									356 386
Non-profit institutions	353 821									353 821
Households	2 565									2 565
Payments for capital assets	130				44				44	174
Buildings and other fixed structures										
Machinery and equipment	130				44				44	174
Total economic classification	2 021 733				34 381			55 000	89 381	2 111 114

TABLE 5.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PUBLIC SPECIAL EDUCATION

Economic classification	Motivation	From	Motivation	To
Current payments		(158)		34 495
Compensation of employees			Magaliesburg Boarding School was classified as Public Ordinary School instead of Public Special School. Funds shifted to correct the classification.	17 465
Goods and services	Municipal services budget allocated under goods and services is shifted as provision is made under the school transfer budget. The cost for the GG vehicles' running costs is less than anticipated, funds shifted to off-set spending pressure in other items.	(158)	Reallocation of funds allocated for Magaliesburg Secondary School which was initially budgeted in Programme 2.	17 030

Economic classification	Motivation	From	Motivation	To
Interest and rent on land				
Transfers and subsidies				
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				44
Buildings and other fixed structures				
Machinery and equipment			Funds allocated for the rental of photocopying machines.	44
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(158)		34 539

Virements and shifts

The programme received R32 million from programme 2 as a result of reclassification of Magaliesburg boarding School. The funds are for personnel related costs, procurement of furniture and groceries for the boarding facility.

R2 million was also allocated to the programme for Special Schools sports to increase participation of Special School learners in school sport activities and in events at a local, provincial and national level. Funds will be utilised for travelling costs to sports events, catering, and accommodation for events that last more than one day and for medical services during the events.

Additional provincial funding: R55 million

Total additional funding allocated to this programme amounts to R55 million. The funds will be used to supplement the current personnel budget shortfall and for improvement in condition of services (ICS).

Programme 5: Early Childhood Development

TABLE 5.10: PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Grade R In Public Schools	730 652				(16 000)				(16 000)	714 652
2. Grade R In Community Centres	17 426									17 426
3. Pre-Grade R Training	48 004				(24 000)				(24 000)	24 004
4. Human Resource Development	15 257									15 257
Total for programmes	811 339				(40 000)				(40 000)	771 339

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	570 867				17 164				17 164	588 031
Compensation of employees	409 960									409 960
Salaries & wages	409 960									409 960
Social contribution										
Goods and services	160 907				17 164				17 164	178 071
Transfers and subsidies	240 116				(57 408)				(57 408)	182 708
Non-profit institutions	240 116				(57 408)				(57 408)	182 708
Households										
Payments for capital assets	356				244				244	600
Buildings and other fixed structures										
Machinery and equipment	356				244				244	600
Total economic classification	811 339				(40 000)				(40 000)	771 339

TABLE 5.11: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
Current payments		(24 954)		42 118
Compensation of employees	Reallocation of the budget for the audit of Grade R sites due to incorrect allocation in the sub-programme. Saving was realised on the provision of start-up kits for Grade R as a result of the contribution by Department of Social Development.	(24 954)	LTSM budget correctly allocated under goods and services as procurement will not be done by schools and the budget for the audit of Grade R centres allocated in the correct sub-programme.	42 118
Goods and services				
Interest and rent on land				
Transfers and subsidies		(57 408)		
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions	LTSM budget correctly allocated under goods and services as procurement will be done centrally instead of transferring to schools. Pre-Grade R allocation was reprioritised as Department of Social Development is also making provision for Pre-Grade R start-up kits.	(57 408)		
Households				
Payments for capital assets				244
Buildings and other fixed structures				
Machinery and equipment			Funds will be used for the rental of photocopy machines.	244
Heritage assets				
Specialised military assets				

Economic classification	Motivation	From	Motivation	To
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(82 362)		42 362

Virements and shifts

An amount of R40 million from Grade R start up kits is reprioritised to other pressures areas due to the slow delivery of Grade R classrooms which delays the intake of learner numbers and the contribution made by Department of Social Development.

R42.3 million is shifted within the programme to align the budget for LTSM which was incorrectly classified under transfers and to make provision for conducting due diligence in Grade R sites.

Programme 6: Infrastructure Development

TABLE 5.12: PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Administration	36 603				68 212				68 212	104 815
2. Public Ordinary Schools	2 397 238				144 355				144 355	2 541 593
3. Special Schools	355 012				(115 513)				(115 513)	239 499
4. Early Childhood Development	221 381				(97 054)				(97 054)	124 327
Total for programmes	3 010 234									3 010 234

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	333 780				44 298				44 298	378 078
Compensation of employees	36 598				(2 480)				(2 480)	34 118
Salaries & wages	36 598				(4 473)				(4 473)	32 125
Social contribution					1 993				1 993	1 993
Goods and services	297 182				46 778				46 778	343 960
Payments for capital assets	2 676 454				(44 298)				(44 298)	2 632 156
Buildings and other fixed structures	2 661 454				(76 112)				(76 112)	2 585 342
Machinery and equipment					200				200	200
Land and sub-soil assets	15 000				31 614				31 614	46 614
Software and other intangible assets										
Total economic classification	3 010 234									3 010 234

TABLE 5.13: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: INFRASTRACURE DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
Current payments		(36 598)		80 896
Compensation of employees	Alignment of infrastructure personnel budget which was incorrectly allocated under Public Ordinary School sub-programme instead of Administration sub-programme.	(36 598)	Funds allocated to Administration sub-programme to correctly allocate infrastructure personnel budget.	34 118
Goods and services			Funds to increase of the maintenance allocation as a result of accruals and to cover costs related to the recent storm damage at various schools that will require urgent intervention.	46 778
Interest and rent on land				
Transfers and subsidies				
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		(446 764)		402 466
Buildings and other fixed structures	Construction of ten new schools was delayed due to the change in the standard school designs to conform to the Cost Norms. Therefore provision has been made for design fees only for the schools concerned. Upgrades and additions is adjusted downwards mainly due to delays in the supply chain management process for Alternative Construction Technology classrooms in Public Ordinary Schools, Grade R classrooms and toilet blocks.	(446 764)	Refurbishment and Rehabilitation is adjusted upward as a result of previous under estimation of total project costs for projects which are in the construction phase. Provision is also made for emergency projects added to the list during the course of the current financial year.	370 652
Machinery and equipment			Funds to cater for the procurement of laptops for the newly appointed officials who are responsible for infrastructure projects.	200
Heritage assets Specialised military assets Biological assets Land and sub-soil assets			To acquire land for planned new school construction	31 614
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(483 362)		483 362

Virements and shifts

The R446.7 million budget is reprioritized from building and other fixed structures due to the change in the standard school designs to conform to the Cost Norms. Out of this amount, R46.7 million will be directed to goods and services to cover maintenance of schools, R31.6 million for the acquisition of land for the construction of new schools while R370.6 million is set aside for refurbishment and rehabilitation as a result of previous under estimation of total project costs for projects which are in the construction phase.

An amount of R34.1 million is shifted from sub programme Public Ordinary Schools to Administrations within the compensation of employee's item to correctly allocate the infrastructure personnel budget.

Programme 7: Examination and Education Related Services

TABLE 5.14: PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Payments To SETA	80 531									80 531
2. Professional Services	491 400				(89 403)				(89 403)	401 997
3. Special Projects	444 057			18 080					18 080	462 137
4. External Examinations	260 987				28 134				28 134	289 121
5. Conditional Grants	30 800									30 800
Total for programmes	1 307 775			18 080	(61 269)				(43 189)	1 264 586

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	777 173			18 080	(11 509)				6 571	783 744
Compensation of employees	313 925									313 925
Salaries & wages	313 103									313 103
Social contribution	822									822
Goods and services	463 248			18 080	(11 509)				6 571	469 819
Transfers and subsidies	485 566				(89 787)				(89 787)	395 779
Departmental agencies and accounts	80 531									80 531
Non-profit institutions	168 973				(89 787)				(89 787)	79 186
Households	236 062									236 062
Payments for capital assets	45 036				40 027				40 027	85 063
Buildings and other fixed structures										
Machinery and equipment	45 036				40 027				40 027	85 063
Total economic classification	1 307 775			18 080	(61 269)				(43 189)	1 264 586

TABLE 5.15: SUMMARY OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(55 957)		44 448
Compensation of employees				
Goods and services	Printing of provisional common papers for grade 3-11 will be catered for under the existing tender for printing of Matric exam question papers and the distribution of question papers will be done by Wits University. Funds shifted to align budget with activities. Other shifts relate to the budget that was allocated for the Youth Expo event by GCRA as some costs were covered by Head Office.	(55 957)	Provision made to supplement the budget for travelling costs and the insurance for subsidised vehicle for markers. Funds are also allocated to cover costs relating to school sport activities as the number of learners have increased.	44 448
Interest and rent on land				
Transfers and subsidies		(92 124)		2 337

Economic classification	Motivation	From	Motivation	To
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organizations Public corporations and private enterprises Non-profit institutions	Savings realised due to the training that will be conducted at a reduced cost.	(92 124)	Provision made for the transfer to Wits for the printing as well as the distribution of the examination question papers, funds were incorrectly allocated under goods and services.	2 337
Households				
Payments for capital assets		(2 899)		42 926
Buildings and other fixed structures Machinery and equipment	Cost containment measures effected by extending replacement period of existing machinery.	(2 899)	Funds for the leasing of machines which will be used for the printing of examination question paper and answer book, this is to centralise the printing activities and improve security during the preparation and exam period.	42 926
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
Payments for financial assets				
Total economic classification		(150 980)		89 711

Provincial roll-overs: R18.1 million

A total amount of R18.1 million is rolled over for the training and development courses for middle and foundation managers to settle commitments from the previous financial year under the Gauteng City Region Academy (GCRA).

Virements and shifts

A total amount of R61.2 million is moved to other programmes with budget pressures as the training of auxiliary social workers will be conducted by SETA at a reduced cost and not through Matthew Goniwe School of Leadership as originally planned.

The shifts within the programme amounting to R89.7 million are effected to minimize the risk on printing of examination question papers and answer books, make provision for the transfer to Wits for the printing as well as the distribution of the examinations question papers and increased learner participation in the school sport activities.

5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 5.16: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17: EDUCATION

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
R thousand							
1. Administration	2 640 045	1 457 076	2 637 966	103%	2 758 613	1 395 663	(4%)
2. Public Ordinary School Education	26 844 806	13 253 313	26 405 175	97%	28 982 941	14 424 162	9%
3. Independent School Subsidies	597 586	437 791	592 600	99%	609 823	474 977	8%
4. Public Special School Education	1 985 040	979 533	1 968 339	99%	2 111 114	1 114 250	14%
5. Early Childhood Development	716 210	384 817	705 735	92%	771 339	296 072	(23%)
6. Infrastructure Development	2 796 047	1 174 982	2 796 043	108%	3 010 234	1 117 538	(5%)
7. Auxiliary and Associated Services	1 272 937	566 121	1 190 664	96%	1 264 586	622 400	10%

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
R thousand							
Total for programmes	36 852 671	18 253 633	36 296 522	98%	39 508 650	19 445 062	7%
Current payments	30 474 741	14 990 058	30 126 478	99%	32 769 884	16 011 411	7%
Compensation of employees	26 312 050	12 819 759	25 981 867	97%	28 367 460	14 211 084	11%
Goods and Services	4 162 030	2 170 258	4 143 950	112%	4 402 424	1 800 259	(17%)
Interest and rent on land	661	41	661			68	66%
Transfers and subsidies	4 197 526	2 372 851	4 007 867	96%	3 984 235	2 443 007	3%
Provinces and municipalities							
Departmental agencies and accounts	75 346	75 345	75 345	100%	80 531	79 350	
Public corporations & private enterprises							
Non-profit institutions	3 759 398	2 057 361	3 571 656	95%	3 554 390	2 134 999	4%
Households	362 782	240 145	360 866	110%	349 314	228 658	(5%)
Payments for capital assets	2 168 976	886 107	2 150 749	99%	2 754 531	986 640	11%
Buildings and other fixed structures	2 071 415	843 428	2 067 452	100%	2 585 342	915 550	9%
Machinery and equipment	80 127	32 913	73 135	91%	117 685	54 263	65%
Heritage assets							-
Specialised military assets							
Biological assets							
Land and sub-soil assets	16 740	9 267	9 499	57%	46 614	12 672	37%
Software and other intangible assets	694	499	663	122%	4 890	4 155	733%
Payments for financial assets	11 428	4 617	11 428			4 004	(13%)
Total for economic classification	36 852 671	18 253 633	36 296 522	98%	39 508 650	19 445 062	7%

Expenditure trends for 2015/16

The department spent R36.3 billion in 2015/16 against a budget of R36.9 billion which is 98 per cent spending. The department under spent by R556 million, the biggest contributor being compensation of employees with an underspending of R330 million and transfers and subsidies with R189.7 million. Compensation of employees under expenditure is a result of vacant posts which could not be filled by year end and payments for Occupation Specific Dispensation for Therapists which could not be processed due to implementation gaps within the resolution. Underspending on non-profit institutions relates to transfer payments to Sci-Bono Discovery centre which could not be processed by year-end due to cash flow challenges experienced by the department in certain programmes. A total amount of R175 million has been rolled-over to 2016/17 financial year to settle outstanding payments for ICT amounting to R157 million and for the senior management and middle management training amounting to R18 million.

Expenditure trends for the first half of 2016/17

Programme 1: Administration

Total expenditure for the first six months of 2016/17 financial year amounts to R1.4 billion. This spending is 4 per cent less than the first six months of 2015/16 financial year. The reduced spending is attributable to continuous cost cutting measures implemented such as introducing the limit on kilometre claims and telephone usage and the use of departmental venues for workshops, meetings and training.

Programme 2: Public Ordinary Schools

The department spent R14.4 billion as at the end of September 2016 compared to R13.3 billion on the same period of 2015/16. The increase of 9 per cent more is due to accruals relating to School Nutrition Programme, Learner and Teacher

Support Material (LTSM), scholar transport increased costs, municipal services and compensation of employees which is driven by annual increase in learner numbers.

Programme 3: Independent Schools

An increase in Provincial Allocation Expenditure per Learner (PAEPL) resulted in an 8 per cent increase in expenditure compared to the same period last financial year. This is due to increased learner intake by independent schools.

Programme 4: Public Special Schools

Expenditure in this programme increased by 14 per cent. R1.1 billion was spent in the first six months of 2016/17 whilst R979.5 million was spent in the same period of 2015/16. The higher spending is mainly as a result of procurement of goods and services for Magaliesburg boarding school.

Programme 5: Early Childhood Development

The department spent R296.1 million at the end of September 2016. This is a decrease of 23 per cent compared to the same period in 2015/16. The decrease is attributable to the savings realised in procurement of LTSM as the top up for Grade R sites was less than anticipated. The Department of Social Development also makes provision for LTSM to some Grade R sites which are registered with them and thereby reducing expenditure for GDE. Furthermore, a decision was made to reprioritise R40 million from Early Childhood Development (ECD) to other programmes which are experiencing budget shortfalls.

Programme 6: Infrastructure Development

Expenditure as at end of September 2016 amounts to R1.1 billion compared to R1.2 billion spent in the same period of 2015/16, the 5 per cent decrease is due to under spending on buildings and other fixed structures of new schools that were to enter the construction stage during the current financial year. Projects were delayed due to the change in the standard school designs to conform to the cost norms. There are delays on the procurement of Alternative Construction Technology (ACT) classrooms for Public Ordinary schools, Grade R classrooms and toilet blocks as the tender process is still in progress.

Programme 7: Examination and Education Related Services

The department spent R622.4 million in this programme by the end of second quarter of 2016/17 compared to R566.1 million spent in the same period in 2015/16 which resulted in an increase of 10 per cent. This is mainly due to increased number of learner bursaries and leasing of new security enhanced machines for examination services.

6. Departmental receipts

TABLE 5.17 : DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr- Sep
R thousand							
Tax receipts							
Casino taxes							
Horse racing taxes							
Liquor licenses							
Motor vehicle licenses							
Sales of goods and services other than capital assets	25 379	11 464	24 723	97%	26 013	11 949	4%
Transfers received							
Fines, penalties and forfeits	37	14	65	176%	38	(4)	(129%)
Interest, dividends and rent on land	182	145	263	145%	187	281	94%
Sales of capital assets			19 940				
Financial transactions in assets and liabilities	3 962	4 206	6 417	162%	4 061	8 330	98%
Total receipts	29 560	15 829	51 408	174%	30 299	20 556	30%

Revenue trends for the first half of 2016/17

The department did not adjust the 2016/17 revenue estimates. The comparison between the first half of 2015/16 and 2016/17 financial year is explained below:

The rise on Sales of goods and services by 4 per cent is attributable to an increase in the number of learners applying for re-print of matric certificates and a decrease in the number of refunds relating to remarking of exam papers.

The 129 per cent decrease on fines, penalties and forfeits is attributable to a reduced collection of fines. The 94 per cent increase in Interest, dividends and rent on land is due to a growth on interest received from departmental debtors. Financial transactions in assets and liabilities collection in 2016/17 is less by 64 per cent when compared to the same period in 2015/16. This is due to reduction in recoveries received from contractual departmental debts and expenditure from previous financial years.

7. Changes to transfers and subsidies, conditional grants and infrastructure

7.1 Changes to transfers and subsidies

TABLE 5.18: SUMMARY OF CHANGES TO TRANSFER AND SUBSIDIES

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Programme 1	5 250									5 250
Households	5 250									5 250
Programme 2	2 648 507			157 000	(371 218)				(214 218)	2 434 289
Households	105 437									105 437
Sci Bono	652 576			157 000	(374 034)				(217 034)	435 542
Discovery Center										
Matthew Goniwe School of Leadership	156 767				(15 337)				(15 337)	141 430
Public Ordinary Schools	1 733 727				18 153				18 153	1 751 880
Programme 3	580 498				29 325				29 325	609 823
Independent School Subsidies	580 498				29 325				29 325	609 823
Programme 4	356 386									356 386
Public Special Schools	315 866				36 000				36 000	351 866
Matthew Goniwe School of Leadership	37 955				(36 000)				(36 000)	1 955
Households	2 565									2 565
Programme 5	240 116				(57 408)				(57 408)	182 708
Households										
Grade R in Public Schools	148 617				(57 408)				(57 408)	91 209
Matthew Goniwe School of Leadership	91 499									91 499
Programme 7	485 566				(89 787)				(89 787)	395 779
SETA	80 531									80 531
Matthew Goniwe School of Leadership	118 441				(62 799)				(62 799)	55 642
University of the Witwatersrand	7 324				2 337				2 337	9 661
Households	236 062									236 062
FET Colleges	43 208				(29 325)				(29 325)	13 883
Total changes in transfer	4 316 323			157 000	(525 088)				(332 088)	3 984 235

Transfers and subsidies are decreasing by a net amount of R332 million. The net decrease is mainly due to the reclassification of ICT allocation, reprioritization of Pre-Grade R transfer, reprioritisation of auxiliary social workers training and ICT rollover received.

Transfers to Sci-Bono is reclassified in response to internal ICT implementation. The reclassification resulted in a net decrease of R374 million. Included in transfers, is the amount of R157 million that has been rolled over from 2015/16 financial year for the roll-out of the ICT programme.

Transfers to Mathew Goniwe are decreasing by R114.1 million mainly as a result of reprioritization of auxiliary social worker training as it is now delivered through SETA at a reduced cost, redirection of autism training allocation to Public Special Schools and reallocation of teacher development funding to address budget shortfalls relating to human resource development activities at district offices.

Transfers to Grade R in public schools are decreasing by R57.4 million due to the delay in the ECD infrastructure delivery and the contribution made by Department of Social Development. All Grade R sites will receive subsidies as planned.

Transfers to Public Ordinary Schools are increasing by R18.1 million due to reclassification of allocation for the procurement of gas which will be transferred to schools. Independent Schools Subsidies increased by R29.3 million to cover the budget shortfall caused by an increase in learner numbers. Public Special Schools received an additional R36 million to increase access to learners with autism and to support special schools.

Transfers to Wits University is increasing by R2.3 million for the printing as well as the distribution of the examinations question papers.

Transfers to FET colleges is decreasing by R29.3 million as a result of reprioritization of training budget for ESSP employees to independent schools to cover shortfalls due to increase in learner numbers.

7.2 Changes to conditional grants

TABLE 5.19: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 2	795 214						4 344		4 344	799 558
HIV and AIDS (Life skills education) Grant	32 449									32 449
National School Nutrition Programme	712 955						4 344		4 344	717 299
Maths, Science and Technology Grant	49 810									49 810
Programme 6	1 385 737									1 385 737
Education Infrastructure Grant	1 385 737									1 385 737
Programme 7	30 800									30 800
Social Sector Expanded Public Works	28 661									28 661
Expanded Public Works Programme Incentive Grant	2 139									2 139
Total changes in conditional grants	2 211 751						4 344		4 344	2 216 095

Additional national funding: R4.3 million

An amount of R4.3 million is allocated for the National School Nutrition Programme Grant to cover a shortfall caused by high food inflation.

7.3 Changes to infrastructure

Refer to 2016 Adjusted Estimates of Capital Expenditure (AECE).