

Vote 5

Education

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	45 462 551	45 651 217		188 666
MEC remuneration ¹	1 822	1 902		80
Total amount to be appropriated	45 464 373	45 653 119		188 746
<i>of which:</i>				
Current payments	41 223 371	41 543 657		320 286
Transfers and subsidies	1 875 975	1 877 655		1 680
Payments for capital assets	2 333 135	2 199 915	(133 220)	
Payments for financial assets	31 892	31 892		
Responsible MEC	MEC for Education			
Administering department	Education			
Accounting Officer	Head: Education			

1. Vision and mission

Vision

The vision of the Department of Education (DOE) 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 directions: These are directly linked to the 14 national outcomes, which also inform the department's strategic goals and objectives, as listed below:

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

Six strategic goals encapsulate the department's contribution toward the achievement of national and provincial goals, and all other international mandates within the context of MTSF 2014-2019 for the current electoral cycle, and national and provincial action plans. Hereunder are the strategic goals:

- 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.

¹ At the time of going to print with the 2016/17 EPRE, the proclamation determining the 2015 salary adjustment relating to office bearers had not been signed, hence this amount remained unchanged from the 2015/16 EPRE. Similarly, at the time of going to print with this document, the proclamation determining the 2016 salary adjustment relating to office bearers has not been signed. As such, the above-mentioned adjustment now aligns the MEC's salary to the 2015 salary level.

3. Summary of adjusted estimates for the 2016/17 financial year

The main appropriation of DOE was R45.464 billion in 2016/17. During the year, the department's budget was increased by R188.746 million, which is the amount that is to be appropriated in the 2016/17 Adjustments Estimate. The main reasons for this increase, as well as other adjustments, are summarised below, and are explained in detail in Section 4:

- *Roll-overs:* Approval was granted by Provincial Treasury (PT) for the roll-over of R40.210 million from 2015/16 to 2016/17 in respect of committed funds relating to payments for vehicles and minor assets which were ordered in 2015/16, but not delivered. This amount was allocated as follows:
 - R25 million was allocated against *Goods and services* in Programme 2: Public Ordinary School Education for the purchase of school furniture such as learner desks, sport equipment, computers, etc.
 - R15.210 million was allocated against *Machinery and equipment* in Programme 4: Public Special School Education for the purchase of buses for special schools.
- *Virements between programmes:* The following virements were undertaken across programmes:
 - R30 million was moved from Programme 5: Early Childhood Development against *Transfers and subsidies to: Non-profit institutions*. These funds were inadvertently allocated against this programme and economic classification during the finalisation of the *EPRE*. This amount is now being correctly allocated in Programme 2 against the sub-programme: Public Secondary Level in respect of *Transfers and subsidies to: Households* for staff exit costs.
 - In addition to the above virements between programmes, the department undertook extensive virements across sub-programmes and economic categories within programmes. Details of these virements are provided per programme in Section 4 below. All virements within programmes are permissible in terms of the PFMA and Treasury Regulations. Where necessary, Provincial Treasury approval was obtained. However, *Transfers and subsidies to: Non-profit institutions* and *Payments for capital assets* in respect of *Buildings and other fixed structures* and *Machinery and equipment* reflect a net decrease in Table 5.2, and Legislature approval is therefore required in this regard.
- *Shifts:* There were no shifts undertaken between programmes and across economic categories.
- *Other adjustments:* The department's budget allocation was increased by a net amount of R148.536 million as explained below:
 - R140 million additional funding was allocated from provincial cash resources in order to fund the above-budget 2016 wage adjustment. This amount was allocated to *Compensation of employees* in Programme 2. It should be noted that the department provided for a wage increase for 2016/17 at 7.2 per cent through the reprioritisation of its infrastructure budget and additional funding from the provincial fiscus and National Treasury. However, the final agreement was reached at 7.6 per cent which was 0.4 per cent higher than budgeted. This additional amount allocated to the department fully compensates it for the shortfall related to the above-budget 2016 wage adjustment.
 - The department was allocated an additional amount of R8.536 million from the National Department of Basic Education in respect of the National School Nutrition Programme (NSNP) grant to cover the shortfall caused by high food inflation. This amount was allocated to *Goods and services* in Programme 2.

Tables 5.1 and 5.2 reflect a summary of the 2016/17 adjusted appropriation of the department, summarised according to programme and economic classification.

Details of the economic classification are given in *Annexure – Vote 5: Education*.

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	1 833 037	-	-	-	-	-	-	1 833 037
2. Public Ordinary School Education	37 899 641	25 000	-	30 000	-	148 536	203 536	38 103 177
3. Independent School Subsidies	81 941	-	-	-	-	-	-	81 941
4. Public Special School Education	1 020 360	15 210	-	-	-	-	15 210	1 035 570
5. Early Childhood Development	803 579	-	-	(30 000)	-	-	(30 000)	773 579
6. Infrastructure Development	2 509 501	-	-	-	-	-	-	2 509 501
7. Examination and Education Related Services	1 316 314	-	-	-	-	-	-	1 316 314
Total	45 464 373	40 210	-	-	-	148 536	188 746	45 653 119
Amount to be voted								188 746
of which: Unauth. Exp. (1st charge) not avail. for spending								(31 892)
Baseline available for spending after first charge								45 621 227

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	41 223 371	25 000	-	146 750	-	148 536	320 286	41 543 657
Compensation of employees	37 768 394	-	-	(5 593)	-	140 000	134 407	37 902 801
Goods and services	3 454 977	25 000	-	152 195	-	8 536	185 731	3 640 708
Interest and rent on land	-	-	-	148	-	-	148	148
Transfers and subsidies to:	1 875 975	-	-	1 680	-	-	1 680	1 877 655
Provinces and municipalities	1 158	-	-	-	-	-	-	1 158
Departmental agencies and accounts	83 257	-	-	-	-	-	-	83 257
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	1 712 512	-	-	(28 320)	-	-	(28 320)	1 684 192
Households	79 048	-	-	30 000	-	-	30 000	109 048
Payments for capital assets	2 333 135	15 210	-	(148 430)	-	-	(133 220)	2 199 915
Buildings and other fixed structures	2 231 603	-	-	(140 000)	-	-	(140 000)	2 091 603
Machinery and equipment	97 532	15 210	-	(8 430)	-	-	6 780	104 312
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	4 000	-	-	-	-	-	-	4 000
Payments for financial assets	31 892	-	-	-	-	-	-	31 892
Total	45 464 373	40 210	-	-	-	148 536	188 746	45 653 119
Amount to be voted								188 746
of which: Unauth. Exp. (1st charge) not avail. for spending								(31 892)
Baseline available for spending after first charge								45 621 227

4. Changes to programme purposes and service delivery measures

There were no changes to the purpose of the programmes, which conform to the sector specific programme and budget structure for the Education sector for 2016/17.

The non financial information currently reflected in the 2016/17 *EPRE* largely corresponds to the department's 2016/17 APP with only a few discrepancies between the *EPRE* and the APP. According to the department, when the *EPRE* was finalised, it was still in the process of finalising the APP. As such, a few of the targets were amended and these changes were not brought into the *EPRE*. The department is now aligning the non financial information in the 2016/17 Adjustments Estimate to the APP.

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 the Education Management Information System (EMIS). There were no changes to the main appropriation of the programme.

Tables 5.3 and 5.4 reflect a summary of the 2016/17 adjusted appropriation of this programme, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in no change to the main appropriation, are provided in table below.

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		
1. Office of the MEC	35 974						-	35 974
2. Corporate Services	781 342			48			48	781 390
3. Education Management	952 236			(48)			(48)	952 188
4. Human Resource Development	10 299						-	10 299
5. Education Management Information System (EMIS)	53 186						-	53 186
Total	1 833 037	-	-	-	-	-	-	1 833 037
Amount to be voted								-
of which: Unauth. Exp. (1st charge) not avail. for spending							(31 892)	(31 892)
Baseline available for spending after first charge							1 801 145	1 801 145

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	1 717 984	-	-	(2 000)	-	-	(2 000)	1 715 984
Compensation of employees	1 311 032			(2 048)			(2 048)	1 308 984
Goods and services	406 952						-	406 952
Interest and rent on land	-			48			48	48
Transfers and subsidies to:	32 570	-	-	-	-	-	-	32 570
Provinces and municipalities	1 158						-	1 158
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	31 412						-	31 412
Payments for capital assets	50 591	-	-	2 000	-	-	2 000	52 591
Buildings and other fixed structures							-	-
Machinery and equipment	50 591			2 000			2 000	52 591
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	31 892						-	31 892
Total	1 833 037	-	-	-	-	-	-	1 833 037
Amount to be voted								-
of which: Unauth. Exp. (1st charge) not avail. for spending							(31 892)	(31 892)
Baseline available for spending after first charge							1 801 145	1 801 145

Virement – Programme 1: Administration

- Savings of R2 million were identified within the sub-programme: Education Management Information System (EMIS), against *Compensation of employees* due to reduced personnel numbers, as a result of the non-filling of non-critical vacant posts, as well as the moratorium on the filling of non-critical posts. These savings were moved to *Machinery and equipment* within the same sub-programme to cater for the purchase of tools of trade to allow the department to verify the learner numbers more accurately and to enhance connectivity in schools in support of South African Schools Administration Management System (SA-SAMS).
- Savings of R48 000 were identified under sub-programme: Education Management, against *Compensation of employees* due to reduced personnel numbers, as a result of the non-filling of non-critical vacant posts, as well as the moratorium on the filling of non-critical posts. These savings were moved to the sub-programme: Corporate Services to offset spending pressures against *Interest and rent on land* in respect of payments of overdue accounts such as domestic accounts for office buildings.

These virements are permissible in terms of the PFMA and Treasury Regulations.

Service delivery measures – Programme 1: Administration

Table 5.5 below shows the main service delivery measures relevant to Programme 1. 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 in the 2016/17 EPRE were not fully aligned to those in the department's 2016/17 APP due to the EPRE being published before the APP was finalised, therefore some outputs have been adjusted, as reflected under the column "2016/17 Revised target", to align them to the targets included in the tabled APP. The output in bold italics indicates that the wording has changed.

Table 5.5 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
<i>To bring about effective management at all levels</i>	No. of public schools that use the school administration and management systems to electronically provide data to the national learner tracking system	5 987	5 663	5 992
	No. of public schools that can be contacted electronically (e-mail)	5 987	1 843	2 035
	% of education current expenditure going towards non-personnel items	8.4%	annual	
	No. of schools visited by district officials for monitoring and support	5 987	5 652	5 992

4.2 Programme 2: Public Ordinary School Education

This programme houses the core functions 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 reflect a summary of the 2016/17 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification. Details of the main adjustments, which led to the net increase of R203.536 million, are given in the paragraphs below the table.

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		
1. Public Primary Level	22 021 739	10 000					10 000	22 031 739
2. Public Secondary Level	14 200 790	15 000		30 000		140 000	185 000	14 385 790
3. Human Resource Development	177 103						-	177 103
4. School Sport, Culture and Media Services	52 201						-	52 201
5. Conditional grants	1 447 808					8 536	8 536	1 456 344
<i>National School Nutrition Programme (NSNP) grant</i>	1 355 247					8 536	8 536	1 363 783
<i>EPWP Integrated Grant for Provinces</i>	2 790						-	2 790
<i>Social Sector EPWP Incentive Grant for Provinces</i>	27 318						-	27 318
<i>Maths, Science and Technology grant</i>	62 453						-	62 453
Total	37 899 641	25 000	-	30 000	-	148 536	203 536	38 103 177
Amount to be voted								203 536

Table 5.7 : 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	36 373 158	25 000	-	12 000	-	148 536	185 536	36 558 694
Compensation of employees	33 960 498			(100)		140 000	139 900	34 100 398
Goods and services	2 412 660	25 000		12 000		8 536	45 536	2 458 196
Interest and rent on land				100			100	100
Transfers and subsidies to:	1 475 542	-	-	30 000	-	-	30 000	1 505 542
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	1 429 549						-	1 429 549
Households	45 993			30 000			30 000	75 993
Payments for capital assets	50 941	-	-	(12 000)	-	-	(12 000)	38 941
Buildings and other fixed structures							-	-
Machinery and equipment	46 941			(12 000)			(12 000)	34 941
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	4 000						-	4 000
Payments for financial assets							-	-
Total	37 899 641	25 000	-	30 000	-	148 536	203 536	38 103 177
Amount to be voted								203 536

Roll-overs – Programme 2: Public Ordinary School Education: R25 million

An amount of R25 million was rolled over from 2015/16 and allocated to *Goods and services* under the sub-programme: Public Primary Level (R10 million) and Public Secondary Level (R15 million) relating to funds committed for the purchase of minor assets, including school furniture such as learner desks, sport equipment, computers, etc.

Virements – Programme 2: Public Ordinary School Education: R30 million

- The main appropriation of Programme 2 increased by R30 million against the sub-programme: Public Secondary Level. These funds were inadvertently allocated in Programme 5 against *Transfers and subsidies to: Non-profit institutions* during the finalisation of the *EPRE*. This amount is correctly allocated to this programme against *Transfers and subsidies to: Households* in respect of staff exit costs.

In addition, the following virements were undertaken within the programme:

- R12 million was moved from *Machinery and equipment* to *Goods and services* within the sub-programme: Maths, Science and Technology (MST) grant to provide for training and development, as well as travel and subsistence costs according to the business plan activities. These funds were inadvertently allocated against *Machinery and equipment* during the finalisation of the *EPRE*. It should be noted that the business plan was approved in May after the budget was finalised in March and the department is now aligning the budget to the business plan activities.
- R100 000 was identified against *Compensation of employees* due to reduced personnel numbers, as a result of the non-filling of non-critical vacant posts, as well as the moratorium on the filling of non-critical posts. These savings were moved within the sub-programme: Public Secondary Level to offset spending pressures against *Interest and rent on land* in respect of payments of overdue accounts, such as domestic accounts for office buildings.

These virements are permissible in terms of the PFMA and Treasury Regulations. The reduction in *Payments for capital assets* in respect of *Machinery and equipment* requires Legislature approval.

Other adjustments – Programme 2: Public Ordinary School Education: R148.536 million

The main appropriation of Programme 2 was increased by a net amount of R148.536 million as explained below:

- R140 million was allocated against *Compensation of employees* under the sub-programme: Public Secondary Level for the above-budget 2016 wage adjustment.
- R8.536 million was received from the Department of Basic Education and allocated to *Goods and services* under the sub-programme: NSNP grant to cover the shortfall caused by high food inflation.

Service delivery measures – Programme 2: Public Ordinary School Education

Table 5.8 below illustrates the main service delivery measures relevant to Programme 2.

It must be noted that most 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 2016/17 *EPRE* were not fully aligned to those in the department’s 2016/17 *APP* due to the *EPRE* being published before the *APP* was finalised. Therefore some outputs have been adjusted, as reflected under the column “2016/17 Revised target”, to align them to the targets included in the department’s tabled *APP*. Some outputs have bold italics indicating where the wording has changed.

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

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
To provide access in the public ordinary schooling system	No. of full service schools servicing learners with learning barriers	101	annual	
	No. of primary schools with an overall pass rate in ANA of 50% and above	2 406	annual	2 344
	No. of secondary schools with an overall pass rate in ANA of 40% and above	343	annual	323
	No. of secondary schools with NSC pass rate of 60% and above	1 543	annual	
	% of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or higher grade)	68%	annual	
	% of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or higher grade)	55%	annual	
	No. of schools provided with media resources	600	annual	
	Learner absenteeism rate	5%	1.8%	
	Teacher absenteeism rate	7%	0.05%	
	No. of learners in public ordinary schools benefiting from the 'No Fee School' policy	1 939 310	annual	
	No. of educators trained in Literacy/Language content and methodology	42 504	annual	
	No. of educators trained in Numeracy/Mathematics content and methodology	42 504	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 reflect a summary of the 2016/17 adjusted appropriation of Programme 3, summarised according to sub-programmes and economic classification. There were no adjustments made to the main appropriation of this programme, which remains unchanged from the *EPRE*.

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		
1. Primary Level	50 285	-	-	-	-	-	-	50 285
2. Secondary Level	31 656	-	-	-	-	-	-	31 656
Total	81 941	-	-	-	-	-	-	81 941
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:	81 941	-	-	-	-	-	-	81 941
Provinces and municipalities	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	81 941	-	-	-	-	-	-	81 941
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	81 941	-	-	-	-	-	-	81 941
Amount to be voted								-

Service delivery measures – Programme 3: Independent School Subsidies

Table 5.11 illustrates the main service delivery measures relevant to Programme 3. It must be noted that most of the performance indicators in this programme are reported on annually rather than quarterly, due to a decision taken by the Education sector, as indicated in the table by “annual”. The service delivery measures in the 2016/17 EPRE were fully aligned to those in the department’s tabled 2016/17 APP.

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

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
To ensure that quality education occurs in independent schools	• No. of subsidised learners in registered independent schools	29 314	annual	
	• % of registered independent schools receiving subsidies	53%	annual	
	• % of registered independent schools visited for monitoring and support	100%	40%	

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 summarises the 2016/17 adjusted appropriation of Programme 4. Details of the main adjustments, which led to the net increase of R15.210 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		
1. Schools	1 013 450	15 210					15 210	1 028 660
2. Human Resource Development	6 910	-					-	6 910
Total	1 020 360	15 210	-	-	-	-	15 210	1 035 570
Amount to be voted								15 210

Table 5.13 : 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	881 960	-	-	-	-	-	-	881 960
Compensation of employees	875 050							875 050
Goods and services	6 910							6 910
Interest and rent on land								-
Transfers and subsidies to:	138 400	-	-	-	-	-	-	138 400
Provinces and municipalities								-
Departmental agencies and accounts								-
Higher education institutions								-
Foreign governments and international organisations								-
Public corporations and private enterprises								-
Non-profit institutions	136 757							136 757
Households	1 643							1 643
Payments for capital assets	-	15 210	-	-	-	-	15 210	15 210
Buildings and other fixed structures								-
Machinery and equipment		15 210					15 210	15 210
Heritage assets								-
Specialised military assets								-
Biological assets								-
Land and subsoil assets								-
Software and other intangible assets								-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	1 020 360	15 210	-	-	-	-	15 210	1 035 570
Amount to be voted								15 210

Roll-overs – Programme 4: Public Special School Education: R15.210 million

Provincial Treasury approved a roll-over of R15.210 million from 2015/16 and this was allocated to *Machinery and equipment* under the sub-programme: Schools relating to funds committed for the purchase of buses, etc. for special schools.

Service delivery measures – Programme 4: Public Special School Education

Table 5.14 illustrates the main service delivery measures relevant to Programme 4. It must be noted that several of the performance indicators in this programme are 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 2016/17 EPRE were not fully aligned to those in the department’s 2016/17 APP due to the EPRE being published before the APP was finalised. Therefore one output has been adjusted, as reflected under the column “2016/17 Revised target”, to align it to the target included in the department’s tabled APP.

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

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
To provide access to mainstream schools, full service schools and special schools in accordance with policy and the principles of inclusive education	• % of learners with special needs in special schools retained in school until age 16	100%	annual	
	• % of special schools serving as Resource Centres	22%	annual	35%

4.5 Programme 5: Early Childhood Development

The purpose of this programme is to provide for Early Childhood Development (ECD) at the Grade R and earlier levels in accordance with White Paper 5 on ECD. Tables 5.15 and 5.16 reflect a summary of the 2016/17 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R30 million, are provided in the paragraphs following the table.

Table 5.15 : Programme 5: Early Childhood Development

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Grade R in Public Schools	701 480			(30 000)			(30 000)	671 480
2. Grade R in Early Childhood Development Centres	20 398						-	20 398
3. Pre-Grade R Training	75 934						-	75 934
4. Human Resource Development	5 767						-	5 767
Total	803 579	-	-	(30 000)	-	-	(30 000)	773 579
Amount to be voted								(30 000)

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	753 314	-	-	-	-	-	-	753 314
Compensation of employees	634 777						-	634 777
Goods and services	118 537						-	118 537
Interest and rent on land							-	-
Transfers and subsidies to:	50 265	-	-	(30 000)	-	-	(30 000)	20 265
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	50 265			(30 000)			(30 000)	20 265
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	803 579	-	-	(30 000)	-	-	(30 000)	773 579
Amount to be voted								(30 000)

Virement – Programme 5: Early Childhood Development (R30 million)

The main appropriation of Programme 5 was reduced by R30 million against *Transfers and subsidies to: Non-profit institutions* in the sub-programme: Grade R in Public Schools to correctly align the budget which was inadvertently allocated against this category instead of *Transfers and subsidies to: Households* in Programme 2, as previously explained.

It should be noted that the department made provision for the procurement of LTSM against *Goods and services* and the reduction in the *Transfers and subsidies to: Non-profit institutions* therefore has no impact on the provision of LTSM.

The reduction in *Transfers and subsidies to: Non-profit institutions* requires Legislature approval.

Service delivery measures – Programme 5: Early Childhood Development

Table 5.17 illustrates the main service delivery measures relevant to Programme 5.

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. This is indicated by “annual” in the table.

The service delivery measures reflected in the 2016/17 *EPRE* were fully aligned to those in the department’s tabled 2016/17 APP.

Table 5.17 : Service delivery measures – Programme 5: Early Childhood Development

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
To provide publicly funded Grade R in accordance with policy	• No. of public schools that offer Grade R	3 995	annual	
	• % of Grade 1 learners who have received formal Grade R education	97%	annual	
	• % of employed ECD practitioners with NQF level 4 and above	55%	annual	

4.6 Programme 6: 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 5.18 and 5.19 reflect a summary of the 2016/17 adjusted appropriation of Programme 6, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in no change to the main appropriation, are provided in the paragraphs below the table.

Table 5.18 : Programme 6: Infrastructure Development

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
1. Administration	118 628			40 000		40 000	158 628
2. Public Ordinary Schools	1 748 765			100 000		100 000	1 848 765
3. Special Schools	297 016			(70 000)		(70 000)	227 016
4. Early Childhood Development	345 092			(70 000)		(70 000)	275 092
Total	2 509 501	-	-	-	-	-	2 509 501
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	277 898	-	-	138 500	-	-	138 500	416 398
Compensation of employees	26 600			(1 500)			(1 500)	25 100
Goods and services	251 298			140 000			140 000	391 298
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	2 231 603	-	-	(138 500)	-	-	(138 500)	2 093 103
Buildings and other fixed structures	2 231 603			(140 000)			(140 000)	2 091 603
Machinery and equipment				1 500			1 500	1 500
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	2 509 501	-	-	-	-	-	-	2 509 501
Amount to be voted								

Virements – Programme 6: Infrastructure Development

- R140 million was moved from *Buildings and other fixed structures* to *Goods and services* to make provision for the maintenance of school buildings, as well as for operating leases in respect of office buildings. The department indicated that there were delays in awarding some projects by the Department of Public Works (DOPW) and the Development Bank of Southern Africa (DBSA) who are implementing agents in respect of *Refurbishment and rehabilitations: Capital* projects. Also, there was poor contractor performance in respect of *New infrastructure assets: Capital* for construction projects, such as Inkosi Albert High school, Ndumo Model school, Mdombolo secondary school, etc. The funds were moved as follows between sub-programmes:
 - R100 million was the net amount moved from within the Education Infrastructure grant (EIG) in the sub-programmes: Special Schools and Early Childhood Development to the sub-programme: Public Ordinary Schools to offset pressures against maintenance projects which are progressing faster than anticipated.
 - R40 million was moved within the equitable share in the sub-programmes: Special Schools and Early Childhood Development to the sub-programme: Administration to provide for leases in respect of office buildings.
- R1.500 million was inadvertently allocated against *Compensation of employees* instead of *Machinery and equipment* for the purchase of tools of trade for employees appointed in terms of DORA. According to the EIG grant framework, 20 per cent of the allocation can be utilised towards the purchase of tools of trade for employees. This amount is now correctly aligned within the sub-programme: Administration.

It should be noted that the decrease in *Payments for capital assets* in respect of *Buildings and other fixed structures* requires Legislature approval.

Service delivery measures – Programme 6: Infrastructure Development

Table 5.20 illustrates the main sector specific service delivery measures relevant to Programme 6. 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. This is indicated by “annual” in the table. The service delivery measures reflected in the 2016/17 *EPRE* were not fully aligned to those in the department’s 2016/17 *APP* due to the *EPRE* being published before the *APP* was finalised. Therefore changes have been made to the targets as reflected under the column “2016/17 Revised target”, to align them to the targets included in the department’s tabled *APP*.

Table 5.20 : Service delivery measures – Programme 6: Infrastructure Development

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
To put in place basic infrastructure for schooling in accordance with policy	• No. of public ordinary schools provided with water supply	425	annual	
	• No. of public ordinary schools provided with electricity supply	75	annual	50
	• No. of public ordinary schools provided with sanitation facilities	200	annual	
	• No. of classrooms built in public ordinary schools	1 000	annual	900
	• No. of specialist rooms built in public ordinary schools	1 200	annual	300
	• No. of new schools completed and ready for occupation (includes replacement schools)	11	annual	14
	• No. of new schools under construction (includes replacement schools)	30	annual	27
	• No. of Grade R classrooms built	252	annual	291
	• No. of hostels built	2	annual	4
	• No. of schools undergoing scheduled maintenance	250	annual	

4.7 Programme 7: Examination and Education Related Services

The purpose of Programme 7 is to provide examination support services to learners in the relevant grades, and ensure quality in the provision of education, through quality assurance.

Tables 5.21 and 5.22 reflect a summary of the 2016/17 adjusted appropriation of Programme 7, summarised according to sub-programmes and economic classification.

Details of the main adjustments, which resulted in no change to the main appropriation, are provided in the paragraphs below the table.

Table 5.21 : Programme 7: Examination and Education Related Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Payments to SETA	83 257						-	83 257
2. Professional Services	576 140						-	576 140
3. External Examinations	603 821						-	603 821
4. Conditional grant	53 096						-	53 096
<i>HIV and AIDS (Life-Skills Education) grant</i>	53 096						-	53 096
Total	1 316 314	-	-	-	-	-	-	1 316 314
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	1 219 057	-	-	(1 750)	-	-	(1 750)	1 217 307
Compensation of employees	960 437			(1 945)			(1 945)	958 492
Goods and services	258 620			195			195	258 815
Interest and rent on land							-	-
Transfers and subsidies to:	97 257	-	-	1 680	-	-	1 680	98 937
Provinces and municipalities							-	-
Departmental agencies and accounts	83 257						-	83 257
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	14 000			1 680			1 680	15 680
Households							-	-
Payments for capital assets	-	-	-	70	-	-	70	70
Buildings and other fixed structures							-	-
Machinery and equipment				70			70	70
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-						-	-
Total	1 316 314	-	-	-	-	-	-	1 316 314
Amount to be voted								-

Virements – Programme 7: Examination and Education Related Services

An amount of R1.945 million was moved from *Compensation of employees* to various categories within the sub-programme: HIV and AIDS (Life-Skills Education) grant. This was to correctly allocate the funds which were incorrectly allocated to these categories in the finalisation of the *EPRE* while the business plan was only finalised in May. These funds were moved as follows:

- R195 000 was moved to *Goods and services* for costs associated with travel and subsistence for monitoring of schools.
- R1.680 million was moved to *Transfers and subsidies to: Non-profit institutions* for transfers to schools to purchase uniforms for orphans and vulnerable children.
- R70 000 was moved to *Machinery and equipment* towards the purchase of tools of trade for facilitators at district level according to the activities of the business plan.

Treasury approval was obtained for the increase in *Transfers and subsidies: Non-profit institutions* for the increase in transfers.

Service delivery measures – Programme 7: Examination and Education Related Services

Table 5.23 illustrates the main service delivery measures relevant to Programme 7. 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.

The service delivery measures reflected in the 2016/17 *EPRE* were not fully aligned to those in the department’s 2016/17 APP, therefore changes have been made to the targets as reflected under the column “2016/17 Revised target”, to align them to the targets included in the department’s tabled APP. The output reflected as “n/a” indicates that the target is no longer being used.

Table 5.23 : Service delivery measures – Programme 7: Examination and Education Related Services

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
To attain the highest possible educational outcomes amongst learners in public ordinary schools	• % of learners who passed National Senior Certificate (NSC)	65%	annual	70%
	• % of Grade 12 learners passing at bachelor level	24%	annual	
	• % of Grade 12 learners achieving 50% or more in Mathematics	16%	annual	
	• % of Grade 12 learners achieving 50% or more Physical Science	18%	annual	
	• % of Grade 3 learners achieving 50% and above in Home Language in ANA	77%	annual	74%
	• % of Grade 3 learners achieving 50% and above in Mathematics in ANA	77%	annual	74%
	• % of Grade 6 learners achieving 50% and above in Home Language in ANA	82.5%	annual	62%
	• % of Grade 6 learners achieving 50% and above in Mathematics in ANA	42.4%	annual	39%
	• % of Grade 9 learners achieving 50% and above in Home Language in ANA	54.8%	annual	34%
	• % of Grade 9 learners achieving 50% and above in Mathematics in ANA	8.8%	n/a	n/a

5. Specifically and exclusively appropriated allocations

Table 5.24 shows amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act. Note that conditional grants (which are also specifically and exclusively appropriated funds) are not included here, but are discussed in Section 8.

There were no adjustments against the specifically and exclusively appropriated funding, as reflected in the table.

Table 5.24 : Summary of specifically and exclusively appropriated funding

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Prog. 1: Improving infrastructure support	10 746						-	10 746
2. Prog. 6: Water and sanitation in schools	100 000						-	100 000
Total	110 746	-	-	-	-	-	-	110 746
Amount to be voted								-

6. Gifts, donations and sponsorships

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

7. Infrastructure

Table 5.25 summarises infrastructure payments per main category. Details of the main adjustments to the infrastructure allocation are provided below. It should be noted that there were no changes to the main appropriation of this category.

Table 5.25 : Summary of infrastructure payments by category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	2 065 011	-	-	101 469	-	-	101 469	2 166 480
Maintenance and repair: Current	220 526			100 000			100 000	320 526
Upgrades and additions: Capital	923 799			148 206			148 206	1 072 005
Refurbishment and rehabilitation: Capital	920 686			(146 737)			(146 737)	773 949
New infrastructure assets: Capital	387 118			(141 469)			(141 469)	245 649
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital							-	-
Infrastructure transfers: Current							-	-
Infrastructure: Payments for fin assets	-						-	-
Infrastructure: Leases	-			40 000			40 000	40 000
Capital infrastructure	2 231 603			(140 000)			(140 000)	2 091 603
Current infrastructure	220 526			140 000			140 000	360 526
Total	2 452 129	-	-	-	-	-	-	2 452 129
Amount to be voted								-

- *Virements*: The following virements were undertaken:
 - o Savings of R146.737 million were realised due to the previously mentioned delays in awarding of some projects by the implementing agents DOPW and DBSA. The projects include Dokkies Teacher Development Academy in respect of *Refurbishment and rehabilitations: Capital* projects. These funds were moved to *Upgrades and additions: Capital* to offset pressures in respect of various projects which are accelerating on site.
 - o Savings of R141.469 million were realised against *New infrastructure assets: Capital* due to the previously mentioned poor contractor performance in respect of *New infrastructure assets: Capital* for construction projects, such as Inkosi Albert High school, Ndumo Model school, Mdombolo secondary school, etc. These savings were moved to *Upgrades and additions: Capital* (R41.469 million) and *Maintenance and repair: Current* (R100 million) to offset pressures in respect of projects that are progressing faster than anticipated.
 - o *Infrastructure: Leases* was increased by R40 million from *Upgrades and additions: Capital* to provide for costs related to leasing of office buildings.

The net reduction of R140 million in respect of *Capital infrastructure* requires Legislature approval. It should be noted, though, that this amount remains within the infrastructure category.

8. Conditional grants

Tables 5.26 and 5.27 provide a summary of conditional grants. Details of the main adjustments, which resulted in the overall increase of R8.536 million, are provided in the paragraphs following the tables.

Table 5.26 : 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	1 447 808	-	-	-	-	8 536	8 536	1 456 344
National School Nutrition Programme (NSNP) grant	1 355 247					8 536	8 536	1 363 783
Maths, Science and Technology grant	62 453							62 453
Social Sector EPWP Incentive Grant for Provinces	27 318							27 318
EPWP Integrated Grant for Provinces	2 790							2 790
6. Infrastructure Development	1 958 321	-	-	-	-	-	-	1 958 321
Education Infrastructure grant	1 958 321							1 958 321
7. Examination and Education Related Services	53 096	-	-	-	-	-	-	53 096
HIV and AIDS (Life-Skills Education) grant	53 096							53 096
Total	3 459 225	-	-	-	-	8 536	8 536	3 467 761
Amount to be voted								8 536

Table 5.27 : 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	1 482 338	-	-	108 750	-	8 536	117 286	1 599 624
Compensation of employees	87 875			(3 445)			(3 445)	84 430
Goods and services	1 394 463			112 195		8 536	120 731	1 515 194
Interest and rent on land							-	-
Transfers and subsidies to:	14 000	-	-	1 680	-	-	1 680	15 680
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	14 000			1 680			1 680	15 680
Households							-	-
Payments for capital assets	1 962 887	-	-	(110 430)	-	-	(110 430)	1 852 457
Buildings and other fixed structures	1 911 946			(100 000)			(100 000)	1 811 946
Machinery and equipment	46 941			(10 430)			(10 430)	36 511
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	4 000						-	4 000
Payments for financial assets	-						-	-
Total	3 459 225	-	-	-	-	8 536	8 536	3 467 761
Amount to be voted								8 536

- *Virements*: The following virements were undertaken:
 - Within the MST grant, R12 million was moved from *Machinery and equipment* to *Goods and services* to provide for training and development, as well as travel and subsistence according to the business plan activities. As previously explained, these funds were initially allocated against *Machinery and equipment* during the finalisation of the *EPRE*. It should be noted that the business plan was approved in May after the budget was finalised in March and the department is aligning the budget to the business plan activities.
 - The following were the changes made within the *EIG*:
 - R1.500 million was moved from *Compensation of employees* to *Machinery and equipment* in respect of the *EIG* within Programme 6 and the sub-programme Administration. This was to correctly allocate funds which were incorrectly allocated in the finalisation of the *EPRE* as the business plan was only finalised in May. These funds relate to the purchase of tools of trade for employees appointed in terms of *DORA*. It should be noted that, according to the *EIG* grant framework, 20 per cent of the allocation can be utilised towards the purchase of tools of trade for employees.
 - R100 million was moved from *Buildings and other fixed structures* within the *EIG* to offset pressures against *Goods and services* for maintenance projects which are progressing faster than anticipated.

- o R1.945 million was moved from *Compensation of employees* to various categories within the sub-programme: HIV and AIDS (Life-Skills Education) grant. This was to correctly allocate the funds which were incorrectly allocated in the finalisation of the *EPRE* while the business plan was only finalised in May. The funds were moved as follows at economic category level:
 - R195 000 was moved to *Goods and services* for costs associated with travel and subsistence for monitoring of schools.
 - R1.680 million was moved to *Transfers and subsidies to: Non-profit institutions* for transfers to schools to purchase uniforms for orphans and vulnerable children.
 - R70 000 was moved to *Machinery and equipment* towards the purchase of tools of trade for facilitators at district level according to the activities of the business plan.

Other adjustments: The conditional grant allocation was increased by R8.536 million, as explained previously. This amount was received from the Department of Basic Education and was allocated against *Goods and services* under the NSNP grant to cover the shortfall caused by high food inflation.

9. Transfers and subsidies

Table 5.28 shows a summary of transfers and subsidies per programme. The adjustments in transfers and subsidies resulted in an overall increase of R1.680 million, as explained in the paragraphs after the table.

Table 5.28 : Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/ Roll-overs	unavoidable	Virement	Shifts	Other adjustments		
1. Administration	32 570	-	-	-	-	-	-	32 570
Provinces and municipalities	1 158	-	-	-	-	-	-	1 158
Motor vehicle licences	1 158							1 158
Households	31 412	-	-	-	-	-	-	31 412
Staff exit costs	31 412							31 412
2. Public Ordinary School Education	1 475 542	-	-	30 000	-	-	30 000	1 505 542
Non-profit institutions	1 429 549	-	-	-	-	-	-	1 429 549
Section 21 schools	1 422 672							1 422 672
Section 20 schools	6 877							6 877
Households	45 993	-	-	30 000	-	-	30 000	75 993
Staff exit costs	45 993			30 000			30 000	75 993
3. Independent School Subsidies	81 941	-	-	-	-	-	-	81 941
Non-profit institutions	81 941	-	-	-	-	-	-	81 941
Independent schools	81 941							81 941
4. Public Special School Education	138 400	-	-	-	-	-	-	138 400
Non-profit institutions	136 757	-	-	-	-	-	-	136 757
Schools	136 757							136 757
Households	1 643	-	-	-	-	-	-	1 643
Staff exit costs	1 643							1 643
5. Early Childhood Development	50 265	-	-	(30 000)	-	-	(30 000)	20 265
Non-profit institutions	50 265	-	-	(30 000)	-	-	(30 000)	20 265
ECD centres	50 265			(30 000)			(30 000)	20 265
6. Infrastructure Development	-	-	-	-	-	-	-	-
7. Examination and Education Related Services	97 257	-	-	1 680	-	-	1 680	98 937
Departmental agencies and accounts	83 257	-	-	-	-	-	-	83 257
ETDP SETA	83 257							83 257
Non-profit institutions	14 000	-	-	1 680	-	-	1 680	15 680
HIV and AIDS	14 000			1 680			1 680	15 680
Total	1 875 975	-	-	1 680	-	-	1 680	1 877 655
Amount to be voted								1 680

- *Virements:* The following virements resulting in a net increase of R1.680 million were undertaken under *Transfers and subsidies*:
 - o R30 million was moved from Programme 5 against *Non-profit institutions* to Programme 2 against *Households*. These funds were inadvertently allocated against Programme 5 during the finalisation of the *EPRE*. This amount is correctly allocated to the sub-programme: Public Secondary Level against *Households* in respect of staff exit costs.

- o R1.680 million was moved within Programme 7 from *Compensation of employees* to *Non-profit institutions* in order to cater for transfers to schools to purchase uniforms for orphans and vulnerable children. This was to correctly align the budget with the HIV and AIDS (Life-Skills Education) grant business plan activities as the budget was finalised before the plan.

These virements are permissible in terms of the PFMA and Treasury Regulations. The reduction in *Transfers and subsidies to: Non-profit institutions* requires Legislature approval. The increase in transfers and subsidies was approved by Provincial Treasury.

10. Transfers to public entities

The department does not undertake transfers to public entities.

11. Transfers to local government

There were no transfers to local government made by the department. It is noted that the appropriation of R1.158 million in Table 5.28 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.

12. Actual payments and revised spending projections for the rest of 2016/17

Tables 5.29 and 5.30 reflect actual payments as at the end of September 2016, 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 2015/16 audited outcome.

Table 5.29 : Actual payments and revised spending projections by programme

R thousand	2015/16 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '16 - September 2016	% of budget	October '16 - March 2017	% of budget	
1. Administration	1 651 446	1 833 037	921 170	50.3	911 867	49.7	1 833 037
2. Public Ordinary School Education	35 580 506	38 103 177	19 852 484	52.1	18 250 693	47.9	38 103 177
3. Independent School Subsidies	77 278	81 941	39 007	47.6	42 934	52.4	81 941
4. Public Special School Education	942 327	1 035 570	584 925	56.5	450 645	43.5	1 035 570
5. Early Childhood Development	603 671	773 579	353 849	45.7	419 730	54.3	773 579
6. Infrastructure Development	2 613 953	2 509 501	1 144 004	45.6	1 365 497	54.4	2 509 501
7. Examination and Education Related Services	1 418 730	1 316 314	592 185	45.0	724 129	55.0	1 316 314
Total	42 887 911	45 653 119	23 487 624	51.4	22 165 495	48.6	45 653 119

Table 5.30 : Actual payments and revised spending projections by economic classification

R thousand	2015/16 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '16 - September 2016	% of budget	October '16 - March 2017	% of budget	
Current payments	38 506 958	41 543 657	20 866 968	50.2	20 676 689	49.8	41 543 657
Compensation of employees	34 527 080	37 902 801	18 649 227	49.2	19 253 574	50.8	37 902 801
Goods and services	3 841 946	3 640 708	2 217 593	60.9	1 423 115	39.1	3 640 708
Interest and rent on land	137 932	148	148	100.0	-	-	148
Transfers and subsidies to:	1 908 152	1 877 655	1 660 441	88.4	217 214	11.6	1 877 655
Provinces and municipalities	1 702	1 158	699	60.4	459	39.6	1 158
Departmental agencies and accounts	78 139	83 257	-	-	83 257	100.0	83 257
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	1 656 841	1 684 192	1 578 072	93.7	106 120	6.3	1 684 192
Households	171 470	109 048	81 670	74.9	27 378	25.1	109 048
Payments for capital assets	2 440 909	2 199 915	928 323	42.2	1 271 592	57.8	2 199 915
Buildings and other fixed structures	2 343 612	2 091 603	908 456	43.4	1 183 147	56.6	2 091 603
Machinery and equipment	97 297	104 312	19 675	18.9	84 637	81.1	104 312
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	4 000	192	4.8	3 808	95.2	4 000
Payments for financial assets	31 892	31 892	31 892	100.0	-	-	31 892
Total	42 887 911	45 653 119	23 487 624	51.4	22 165 495	48.6	45 653 119

The department's spending trend against the adjusted appropriation was at 51.4 per cent in the first half of the year, and is reflecting a projected balanced budget at year-end at programme and economic classification level. This is due to anticipated reduction in employee numbers, as well as the implementation of the departmental internal cost-containment plan, in an effort to reduce any possible over-expenditure.

With regard to economic category, mid-year expenditure against *Compensation of employees* was marginally lower than the straight-line benchmark of 50 per cent, at 49.2 per cent, due to lower than budgeted number of employees currently in the system. It is anticipated, however, that this number will increase during the first quarter of the 2017 school year when new learner enrolments are undertaken for the new academic year. The department will continue to monitor this trend so as not to end the financial year with under-expenditure. It should be noted that the personnel numbers fluctuated in the first half of the year, ascribed to various reasons including appointment of temporary educators, relief educators in cases where an educator was on prolonged sick or maternity leave, attrition, etc. The department was advised by Provincial Treasury to undertake an in-depth analysis of the allocation for *Compensation of employees* and prepare a comprehensive Human Resource plan. Also, the department should ensure that they efficiently manage the termination of salaries for employees who have left the department due to transfers, resignations, death, etc. The projections for the remaining half of the year include provision for the appointment of exam markers, invigilators for monitoring of exams, DORA posts, etc.

Spending against *Goods and services* was higher than the straight-line benchmark of 50 per cent, at 60.9 per cent, after this category was increased by R185.731 million to provide for maintenance costs and commitments from the previous year. This was mainly attributed to higher than anticipated property payments in respect of water and lights, as well as maintenance costs in respect of office buildings, travel and subsistence for monitoring in various district offices and schools, legal services in respect of the high volume of litigation cases against the department, communication costs in respect of telephone and fax and bursaries for employees, etc. The department indicated that spending includes R86 million in respect of commitments from the previous year. The projections include bursaries for employees, communication in respect of the various programmes undertaken by the department including adverts and marketing, agency and support services for the management of PILIR cases, as well as computer services for SITA costs for various district offices, etc. Also included are items such as travel and subsistence in respect of the plan to improve matric results, namely operation Bounce Back, including operating payments for printing of the material used for NSC supplementary, June and AET examination expenditure which will be re-imbursed by the DHET. It should be noted that there is a MOU in place until DHET is equipped to implement provincial exams. The department should continue to implement cost-cutting measures against this category to avoid any over-spending.

Interest and rent on land reflects spending in respect of payments relating to overdue accounts.

The expenditure against *Transfers and subsidies to: Provinces and municipalities* was fairly high at 60.4 per cent compared to the 50 per cent straight-line benchmark. This emanates from payments for the renewal and registration of vehicle licences, which are paid upon receipt of invoices.

Transfer payments against *Transfers and subsidies to: Departmental agencies and accounts* reflects no spending by mid-year. This was due to the full transfer being projected to be undertaken in the second half of the year in respect of ETDP SETA for the skills levy.

Spending against *Transfers and subsidies to: Non-profit institutions* was high at 93.7 per cent compared to the 50 per cent straight-line benchmark. This was mainly in respect of schools who complied with transfer requirements. The department projects to fully spend against this category after adjustments were undertaken and funds were moved to *Households*.

Spending against *Transfers and subsidies to: Households* was high at 74.9 per cent compared to the 50 per cent straight-line benchmark. This relates mainly to staff exit costs which were higher than anticipated.

Spending against *Buildings and other fixed structures* was fairly low 43.4 per cent in the first half of the year, after adjustments were undertaken to reduce this allocation and to move it to *Goods and services*

with regard to maintenance and operating leases. It should be noted that, although spending was fairly low, the department has accelerated spending on both specifically and exclusively allocated funds for water and sanitation in schools and the EIG. Mid-year expenditure includes work undertaken in respect of *New infrastructure assets: Capital* such as small and large primary and secondary schools, *Refurbishment and rehabilitation: Capital* including major building maintenance and refurbishment of large and small schools, as well as *Upgrades and additions: Capital* to schools which includes fencing in schools and the specific and exclusive allocation for water and sanitation in schools. The construction projects relating to water and sanitation in schools commenced in July for the Southern and Midlands Regions. The finalisation of the tender processes in respect of the specific and exclusive funding in the remaining districts is anticipated to take place in the remaining two quarters.

Machinery and equipment spending was low at 18.9 per cent, which is far below the straight-line benchmark of 50 per cent, mainly attributed to delays in the finalisation of the procurement of tools of trade, including vehicles and office equipment, as well as no and late receipt of invoices for vehicles already delivered. However, this category is projected to break-even at year-end after adjustments were undertaken.

Software and other intangible assets spending was low at mid-year due to challenges with the advertised tender for ICT and connectivity in schools. However, this category is projected to break-even at year-end.

Payments for financial assets shows an amount of R31.892 million which mainly relates to the repayment of the first charge. This is in relation to the unauthorised expenditure which was not approved by SCOPA relating to the department's 2013/14 over-expenditure.

The department is projecting a balanced budget at year-end after the adjustments have been made.

Table 5.A : Summary by economic classification : Education

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	41 223 371	25 000	-	146 750	-	148 536	320 286	41 543 657
Compensation of employees	37 768 394	-	-	(5 593)	-	140 000	134 407	37 902 801
Salaries and wages	29 666 064	-	-	(4 845)	-	140 000	135 155	29 801 219
Social contributions	8 102 330	-	-	(748)	-	-	(748)	8 101 582
Goods and services	3 454 977	25 000	-	152 195	-	8 536	185 731	3 640 708
Administrative fees	1 554	-	-	-	-	-	-	1 554
Advertising	6 835	-	-	-	-	-	-	6 835
Assets less than capitalisation threshold	28 431	-	-	-	-	-	-	28 431
Audit cost: External	9 423	-	-	-	-	-	-	9 423
Bursaries: Employees	57 000	-	-	-	-	-	-	57 000
Catering: Departmental activities	34 097	-	-	-	-	-	-	34 097
Communication (G&S)	7 183	-	-	-	-	-	-	7 183
Computer services	90 738	-	-	-	-	-	-	90 738
Cons & prof serv: Business and advisory services	99 355	-	-	-	-	-	-	99 355
Cons & prof serv: Infras and planning	10 772	-	-	-	-	-	-	10 772
Cons & prof serv: Laboratory services	446	-	-	-	-	-	-	446
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	3 509	-	-	-	-	-	-	3 509
Contractors	500	-	-	-	-	-	-	500
Agency and support / outsourced services	1 200 857	-	-	-	-	8 536	8 536	1 209 393
Entertainment	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	47 060	-	-	-	-	-	-	47 060
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	523	-	-	-	-	-	-	523
Inventory: Fuel, oil and gas	277	-	-	-	-	-	-	277
Inventory: Learner and teacher support material	564 372	-	-	-	-	-	-	564 372
Inventory: Materials and supplies	13 840	-	-	-	-	-	-	13 840
Inventory: Medical supplies	7 231	-	-	-	-	-	-	7 231
Inventory: Medicine	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	189 659	25 000	-	-	-	-	25 000	214 659
Consumable supplies	76 899	-	-	-	-	-	-	76 899
Consumable: Stationery, printing and office supplies	80 610	-	-	-	-	-	-	80 610
Operating leases	42 202	-	-	40 000	-	-	40 000	82 202
Property payments	317 522	-	-	100 000	-	-	100 000	417 522
Transport provided: Departmental activity	8 642	-	-	-	-	-	-	8 642
Travel and subsistence	181 508	-	-	6 195	-	-	6 195	187 703
Training and development	221 224	-	-	6 000	-	-	6 000	227 224
Operating payments	143 317	-	-	-	-	-	-	143 317
Venues and facilities	9 291	-	-	-	-	-	-	9 291
Rental and hiring	100	-	-	-	-	-	-	100
Interest and rent on land	-	-	-	148	-	-	148	148
Interest	-	-	-	148	-	-	148	148
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 875 975	-	-	1 680	-	-	1 680	1 877 655
Provinces and municipalities	1 158	-	-	-	-	-	-	1 158
Provinces	1 158	-	-	-	-	-	-	1 158
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 158	-	-	-	-	-	-	1 158
Municipalities	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	83 257	-	-	-	-	-	-	83 257
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	83 257	-	-	-	-	-	-	83 257
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Non-profit institutions	1 712 512	-	-	(28 320)	-	-	(28 320)	1 684 192
Households	79 048	-	-	30 000	-	-	30 000	109 048
Social benefits	79 048	-	-	-	-	-	30 000	109 048
Other transfers to households	-	-	-	-	-	-	-	-
Payments for capital assets	2 333 135	15 210	-	(148 430)	-	-	(133 220)	2 199 915
Buildings and other fixed structures	2 231 603	-	-	(140 000)	-	-	(140 000)	2 091 603
Buildings	2 231 603	-	-	(140 000)	-	-	(140 000)	2 091 603
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	97 532	15 210	-	(8 430)	-	-	6 780	104 312
Transport equipment	31 840	15 210	-	-	-	-	15 210	47 050
Other machinery and equipment	65 692	-	-	(8 430)	-	-	(8 430)	57 262
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	4 000	-	-	-	-	-	-	4 000
Payments for financial assets	31 892	-	-	-	-	-	-	31 892
Total	45 464 373	40 210	-	-	-	148 536	188 746	45 653 119
Amount to be voted								188 746
of which: Unauth. Exp. (1st charge) not available for spending								(31 892)
Baseline available for spending after first charge								45 621 227