

B01.28.21



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Budget Statement 2 - 2009/10 • Vote 5 - Education

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2008/09	2009/10	2010/11
Buildings and other fixed structures	370 069	617 741	470 553	607 560	580 846	580 848	712 851	841 669	967 363
Machinery and equipment	137 168	101 783	43 733	28 000	28 563	28 824	30 000	32 000	34 200
Cultivated assets	3 214		200						
Software and other intangible assets		15 428	4						
Land and subsoil assets	10 110	12 940	5 480						
Total economic classification	10 406 370	11 622 696	13 829 368	16 629 082	16 677 714	17 127 669	18 987 053	20 944 719	23 147 152

In the 2008/09 financial year the total budget was adjusted upwards by 0.3 percent mainly due to the increase to LTSM and to the National School Nutrition grant which was allocated to programme 2: Public Ordinary Schools Education.

The budget increase from 2008/09 adjusted to 2009/10 is 13.8 percent and is a result of the improvements of conditions of service for specific classes of educators implemented by the department. The notable increases are in programmes 2 and 8. The increases are mostly as a result of prioritising the sectors' concern with improving the quality of learning, the expansion in Grade R, ABET and FET. The significant increase of 234 percent in programme 8 from 2008/09 to 2009/10 is mainly due to funding allocated for the Gauteng City Region Academy (GCRA).

Over the MTEF the total budget increases by 11.7 percent on average and the increase is visible in Public Ordinary Schools, Education in Specialised Schools and Auxiliary and Associated Services. This increase is a result of additional allocation made to the National School Nutrition Grant, HIV/AIDS life skills education, and LTSM (Grade R-10).

In 2008/09, the total budget for the department increased by 20.2 percent from the 2007/08 financial year. The increase is visible in compensation of employees, transfers to non profit institutions and payments for capital assets.

In respect of compensation of employees, the average increase of 9.3 percent over the MTEF period is a result of policy adjustments for the recruitment and retention of educators and inflationary increases. The increased allocation over the MTEF is also to make provision for the incorporation of educators to meet the national educator to learner ratio of 1:40 and 1:35 in public primary and secondary schools respectively and to lower the average class sizes of public ordinary schools.

In respect of goods and services, the increase is as a result of the additional allocation made to Section 20 schools due to the "no fee" school policy and quality interventions in support of national priorities. The increase of R1.76 billion from 2008/09 to R1.85 billion in 2011/12 in transfers to non-profit institutions is mainly the result of increased subsidies to institutions for the implementation of the no-fee school policy and the incorporation of schools from cross-boundary municipalities.

5.4 Infrastructure payments

TABLE 5: SUMMARY OF INFRASTRUCTURE BUDGET BY CATEGORY

R thousand	outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2008/09	2009/10	2010/11
New infrastructure assets	267 038	594 573	613 873	477 500	372 762	4 15 560	535 376	560 326	606 952
Existing Infrastructure assets	288 454	276 106	157 244	200 794	326 318	397 077	219 334	327 813	409 767
Maintenance and repair	82 000	131 327	56 733	46 000	35 865	49 793	46 859	51 970	55 406

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Over the MTEF, the total budget increases by an average of nine per cent and the increase is visible in ordinary public schools, public special school education and auxiliary and associated services. The increases mostly result from prioritising the concern in the sector to improve the quality of learning in institutions, provide and maintain learning spaces and fight the scourge of poverty through the No-Fee school policy, nutrition, scholar transport and skills development and training. The budget also accommodates the expansion in Grade R, ABET and FET. The significant increase in Programme 8: Auxiliary and Associated Services results from funding allocated to the Gauteng City Region Academy (GCRA).

The increase in the department's 2010/11 budget was primarily as a result of compensation of employees, transfers to non profit institutions and payments for capital assets.

In respect of compensation of employees, the budget has increased to provide for the recruitment of additional educators to meet the requirements of the teacher-pupil ratios of 1:40 and 1:35 for public primary and secondary schools respectively as set down in the learner educator ratio policy. It also increased as a result of the implementation of the OSD for educators but this has not been fully incorporated in the budget. The budget shows an average increase of nine per cent over the MTEF period.

In respect of goods and services, the increase of over 17 per cent results from the additional allocation made to Section 20 schools due to the No-Fee school policy and quality interventions in support of national and provincial priorities. The increase from R1.6 billion in 2009/10 to R1.9 billion in 2010/11 in transfers to non-profit institutions is mainly the result of increased subsidies to institutions for the implementation of the No-Fee school policy.

A significant increase of 52 per cent in the infrastructure budget, from R740 million to R1.1 billion, is to address the backlog of classrooms and the refurbishment and maintenance of schools. It is to ensure that schools are safe and secure and not a hazard to learners and educators. This is in line with the priorities set out by the provincial government in addressing its mandate.

5.4 Infrastructure payments

To deliver the department's mandate, budgets were reviewed to re-allocate funds to projects/sub-programmes falling under key areas of the new plan. Although the 2010/11 infrastructure programme is in essence a continuation of the 2010 MTEF programme, provision has been made for activating projects in terms of the new provincial strategic priorities. The programme aims, inter alia, at the following:

- Development and implementation of a plan for the rehabilitation and maintenance of schools to end the era of broken windows and dysfunctional toilets;
- Making schools safe by erecting fencing;
- Addressing overcrowding and classroom backlogs using mobile classrooms;
- Development of a new standard design for schools in the province. Schools must become sites of national pride, sites of excellence and sites of effective learning and teaching;
- Working with other government departments to develop and implement an integrated plan for infrastructure delivery, e.g. the 20 PTP; and
- Focusing on efforts to improve the quality and sustainability of ECD and primary schooling.

TABLE 5: SUMMARY OF INFRASTRUCTURE BUDGET BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
New and replacement assets	594 573	613 873	374 944	535 376	491 496	489 977	732 695	649 885	473 473
Existing infrastructure assets	276 106	157 244	211 978	219 334	389 258	372 926	656 589	786 368	1 142 056
Upgrades and additions	77 204	42 797	102 457	145 193	244 285	293 210	162 083	85 359	158 700
Rehabilitation, renovations and refurbishments	67 575	57 714	57 240	27 282	96 846	28 811	420 377	607 753	909 500
Maintenance and repairs	131 327	56 733	52 281	46 859	48 127	50 905	74 129	75 255	73 856
Infrastructure transfers									
Current									
Capital									

4.2 Departmental receipts collection

Table 3.1(b): Departmental receipts: Education

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
Tax receipts	-	-	-	-	-	-	-	-	-
Non-tax receipts	19,800	21,397	24,414	25,801	27,411	27,411	28,816	30,275	30,296
Sale of goods and services other than capital assets	19,800	21,397	24,414	25,801	27,411	27,411	28,816	30,275	30,296
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Transfers received	-	-	-	-	-	-	-	-	-
Sale of capital assets	84	-	-	-	-	-	-	-	-
Financial transactions	767	8,876	5,976	7,222	10,181	10,181	8,559	8,893	8,893
Total departmental receipts	20,651	30,273	30,390	33,023	37,592	37,592	37,375	39,168	39,189

The major source of own revenue falls under sales of goods and services other than capital assets. This category consist mainly of other sales, which include commission earned on payroll deductions such as insurance and garnishees, examination and remarking fees, as well as fees for the viewing of scripts and parking fees. The negative growth of 0.6 per cent in 2010/11 to 2011/12 and minimal growth of 1.4 per cent over the MTEF period is due to once off recovery of previous year debts in 2010 and the minimal growth between 2011/12 and 2013/14 financial years is due to anticipated increase in staff establishment (commission on insurance)

5. Payment summary

5.1 Key assumptions

- Salary increases of 5.5 per cent in 2011/12, 5.0 per cent in 2012/13 and 5.5 per cent in 2013/14 with current year effective 1st May 2011.
- Pay progression of approximately 1.5 per cent of the wage bill effective from 1st May this financial year.
- The full implication of personnel-related costs, including promotions, changes in staff numbers, general salary adjustments, overtime, medical aid contributions, homeowner's allowance and another costs associated with personnel.
- Goods and services increases are based on the projected CPIX over the MTEF as published in the 2010 Medium Term Budget Policy Statement are 4.8 per cent in 2011/12, 5.1 per cent in 2012/13 and 5.2 per cent in 2013/14.
- Infrastructure is also provided for in the 2011/12 MTEF. This programme is enhancing the reduction of infrastructure backlogs and the provision of infrastructure in new and expanded settlements. The provision for 2011/12 is R1 200 million, 2012/13 is R1 200 million and 2012/13 is R1 300 million.



Annual Performance Plan 2012/13

There will also be an increase in utilising the SA-SAMS, LURITS and BI System as a database to inform management decisions for planning.

To achieve Output 7, activities under Programme 1 will include enhanced administrative processes, legal and advisory services support, human resources, financial management, oversight support through monitoring and evaluation, audit and risk management.

All schools will be having School Governing Body elections and training in the 2012/13 financial year.

Output 4: Sub-Output 2: strengthen the capacity of district offices

In support of consolidating the Department's strategies and interventions structural realignment is imperative. The Department's realignment will commence from 01 April 2012. A change service delivery model will be implemented at district level. District structures will focus on classroom practice and end- to-end interventions.

District offices will monitor the implementation of the Gauteng Primary Language and Mathematics Strategy in all 827 under-performing primary schools including rural schools.

In summary, to achieve the delivery agreement, the following will form the core activities of the Department.

- Improve the quality of education in the Foundation Phase.
- Improve the quality of education in the Senior Phase.
- Support the transition from Primary to Secondary Schooling.
- Increase matric performance by implementing the Senior Secondary Intervention Programme: Gr 10-12 (SSIP).
- Strengthen educational and social support programmes to create access to education through scholar transport and the implementation of the 'No-Fee' Schools Policy and alleviate poverty through the National Schools Nutrition Programme.
- Infrastructure development - Tackling the infrastructure backlog, especially ensuring that there are enough classrooms in places where they are most needed including basic sanitation, water, electricity and fencing.
- Implementation of the Master Skills Plan.
- Enabling support from other departments for education as a priority.



Annual Performance Plan 2012/13

The Department funds all 'No-Fee' schools at R960 per learner. This is the national threshold level for Quintile 1 schools. We are the only province to fund all 'No-Fee' schools at the same learner per capita and also fund Quintile 4 and 5 schools at the same learner per capita amount as Quintile 4.

Nutrition:

All learners in 'No-Fee' schools benefit from the school nutrition programme. The identified schools have all been provided with the necessary training, food preparation facilities and utensils for the preparation of the meals. We hope that by providing one meal to a learner per day will assist in improving the children's concentration thus enabling participation in effective learning. The school nutrition programme is funded by a conditional grant and the budget for the 2012/13 financial year amounts to R548 million.

- **Scholar Transport:**

The Department will implement bus routes that are efficient by transporting learners to schools nearest to where they live. To date, a total of 56 793 learners are benefiting from the programme and a total of R165 million is budgeted for scholar transport in both primary and secondary schools.

- **Infrastructure**

The infrastructure programme for 2012/13 is in continuation of the 2011/12 infrastructure programme. In the 2012 school year the Department will initiate the construction phase of 11 new schools as well as the Magaliesburg residential facility and the continuation of the construction of Tsakane Primary School. An allowance has also been made for commencement of planning for Buhle Park Primary School and continuation of the feasibility study for the Fochville residential facility. Funds have been allocated for the conclusion of contracts or final accounts of schools completed in the previous financial year. Further provision has also been made for the acquisition of vacant land for the construction of schools and the completion of the planning phase for Nokuthula Special Schools.

Provision has been made for the completion of projects activated in the previous financial year(s) as well as the installation of steel palisade fences at various schools. We will also proceed with the completion of the Full Service Schools project activated in the previous financial year as well as the delivery of Grade R classrooms.

Allowance has been made for the continuation of major rehabilitation projects activated in the previous financial year as well as the activation of a number of urgent interventions with regard to restorative repairs, focussing on health and safety, security and functionality of school infrastructure. Further provision has been made for the construction phase of 8 major rehabilitation projects in LSEN schools.

A substantial contingency has been allowed for unplanned maintenance, the clearing of vacant sites, the provision of chemical toilets, the emptying of septic tanks and water delivery to schools. As a result of the challenges experienced with regard to dolomitic conditions at various schools, special provision has been made for dolomite related contingencies. Allowances have also been made for unplanned maintenance in schools, ABET centres and office buildings.

- **Extra School Support Programme**

In support of Government's efforts in creating jobs through the Extended Public Works Programme, the Department has identified a number of support areas in schools where we need additional personnel. One such area is after school support. The Extra School Support Programme (ESSP) seeks to support teaching and learning by providing support to learners on homework. The project targets underperforming primary



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
Sales of goods and services other than capital assets	12 492	14 390	17 233	12 840	12 840	17 373	19 347	20 315	21 330
Transfers received									
Fines, penalties and forfeits			27		20	28	34	35	37
Interest, dividends and rent on land	1 988	1 731	1 235	2 101	1 612	1 643	2 030	2 131	2 238
Sales of capital assets		631			373	373			
Transactions in financial assets and liabilities	17 212	23 887	18 568	10 748	12 540	20 040	20 589	21 619	22 700
Total departmental receipts	31 692	40 639	37 063	25 689	27 385	39 457	42 000	44 100	46 305

The Department does not render a significant amount of services for revenue generation through user fees; services which it renders and fees which it collects amount to less than 1 percentage of its budget. Over 60 percent of budgeted receipts are from administration fees for the collection of insurance premiums from employees. The administration fee is 2.5 per cent of the premium deducted from insurance companies. Other sources of income are linked to the re-marking and re-checking of examination scripts and the sale of address lists of schools. Schools are entitled to raise funds through school fees to meet the shortfall between subsidies and actual costs; the Department does not receive this revenue.

5. PAYMENT SUMMARY

5.1 Key assumptions

The guideline on personnel budgeting for the 2012/13 MTEF period is based on the guidelines provided by the Gauteng Department of Finance which takes into account projected CPIX inflation for 2011.

The following key assumptions were taken into account when determining the personnel budgets for the new MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary costs including ICS adjustments from 1 May and January each year;
- Salary increases for people with scarce skills;
- Grades and level of each staff member;
- Increased take up of benefits such as medical aid, housing allowance, etc;
- Contract employees, overtime pay, merit bonuses;
- Pension fund contributions, thirteenth cheque and overtime all linked to the basic salary cost (increases at the same rate);
- Medical aid contributions which normally increase more rapidly than inflation;
- Skills development; and
- Technical and vocational training.

The Department aims to achieve an 80:20 split of personnel and non-personnel costs, although an increase in personnel costs is evident. It has also included the following key assumptions when determining the budget for 2012/13 MTEF in order to meet the goals of improving the quality of learning:

- Infrastructure development and the maintenance of school buildings with the emphasis on eradicating the backlog of learning space and preventative maintenance;
- Transfers and subsidies to institutions;
- School Nutrition Policy;
- LTSM, workbooks and lesson plans for learners;
- District development and support;
- Reduction of class sizes;

address lists of schools. Schools are entitled to raise funds through school fees and other fundraisers to meet any shortfall between subsidies and the actual cost of running a school, but the Department does not receive any of the funds collected by the school.

Revenue was under collected by 8.8 per cent in the 2010/11 as compared to the 2009/10 and improves in 2011/12 by 19.9 per cent. The reduction in the transactions in financial assets and liabilities can be attributed to the reduction in staff debts, hence, if staff debts are reduced collections amounts related to previous year referrals will be similarly reduced.

6. PAYMENT SUMMARY

6.1 Key assumptions

The following key assumptions were taken into account when determining the personnel budgets for the new MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary costs including ICS adjustments from 1 May and January each year;
- Salary increases for people with scarce skills;
- Grades and level of each staff member;
- Increased take up of benefits such as medical aid and housing allowance;
- Contract employees, overtime pay, merit bonuses;
- Pension fund contributions, thirteenth cheque and overtime all linked to the basic salary cost and increasing at the same rate;
- Medical aid contributions which normally increase more rapidly than inflation; and
- Skills development and technical and vocational training.

The Department aims to achieve the 75:25 split of personnel and non-personnel costs although an increase in personnel cost is evident. It has also included the following key assumptions when determining the budget for 2013/14 MTEF in order to meet the goals of improving the quality of learning:

- Infrastructure development and the maintenance of school buildings with the aim of eradicating the backlog of learning space and preventative maintenance;
- Transfers and subsidies to institutions;
- School Nutrition Policy;
- LTSM, workbooks and lesson plans for learners;
- District development and support;
- Reduction of class sizes;
- Providing therapists and social workers to school to support learners;
- Rollout of the Curriculum and Assessment Policy Statements (CAPS); and
- Implementation and maintenance of intervention strategies such as GPLMS, SSIP, MST.

6.2 Programme Summary

TABLE 5.3: SUMMARY OF PAYMENTS AND ESTIMATES: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	1 627 915	1 791 245	2 138 931	1 892 759	2 047 340	2 338 043	2 422 979	2 525 149	2 620 765
2. Public Ordinary Schools	14 658 833	16 246 553	18 038 016	18 959 315	19 263 572	19 485 684	20 379 583	22 281 284	24 765 171
3. Independent School Subsidies	303 295	353 036	409 004	461 757	461 757	411 166	490 304	514 329	537 986
4. Public Special School Education	1 074 992	1 278 410	1 290 621	1 381 503	1 465 333	1 423 818	1 612 043	1 723 877	1 830 830
5. Further Education and Training	592 963	785 196	1 113 444	1 113 533	1 133 245	1 137 878	673 887	716 971	759 663
6. Adult Basic Education and Training	228 424	261 225	347 706	327 967	385 635	392 834	388 983	403 471	421 962

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R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Payments for capital assets	770 505	648 334	1 258 561	493 867	1 305 434	1 137 518	958 194	1 517 533	1 797 930
Buildings and other fixed structures	758 486	625 888	1 258 561	481 867	1 290 434	1 122 518	930 694	1 492 533	1 742 930
Machinery and equipment									
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets	12 019	22 446		12 000	15 000	15 000	27 500	25 000	55 000
Software and other intangible assets									
Payments for financial assets									
Total economic classification	844 708	726 055	1 529 609	1 243 336	1 481 851	1 402 737	1 259 194	1 707 496	2 020 534

The Infrastructure Development programme (Programme 8) is a newly established programme that focuses on infrastructure development in the education sector. All infrastructure and maintenance funding will be allocated from this programme. Funds have been reallocated from various programmes including Administration, Public Ordinary Schools, Public Special Schools and Early Childhood Development.

The infrastructure budget increased from R1.2 billion in 2012/13 to R1.3 billion in 2013/14. The majority of the budget is allocated to building primary and secondary schools in the public ordinary schooling sector. This is to alleviate pressure in the provincial education system as well as accommodate infrastructural changes in Technical High Schools.

The Department plans on converting 15 schools to full service schools. The aim of full service schools is to serve as resource centres to schools in the surrounding areas and provide simple assistive support to teachers and learners with minor barriers.

The infrastructure plan of the Department covers all public institutions including public schools, public ECD site and special schools. The Department envisages starting 12 new schools in the 2013/14 financial year. A further 22 schools will be entered onto the rehabilitation schedule and 415 schools on the maintenance schedule. Two Boarding facilities, Magaliesburg and Fochville are currently under construction. As part of the school safety campaign, a further 70 schools will receive new fencing.

SERVICE DELIVERY MEASURES

PROGRAMME 8: INFRASTRUCTURE DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
PM801: Number of public ordinary schools to be provided with water supply.	6	6	6
PM802: Number of public ordinary schools to be provided with electricity supply.	6	6	6
PM803: Number of public ordinary schools to be supplied with sanitation facilities.	6	6	6
PM804: Number of classrooms to be built in public ordinary schools.	165	165	167
PM805: Number of specialist rooms to be built in public ordinary schools (all rooms except classrooms-include: laboratories, stock rooms, sick bay, kitchen etc).	369	350	354

PROGRAMME 9: AUXILIARY AND ASSOCIATED SERVICES

Programme description

To provide training and support to all education institutions.

Programme objectives

- To provide employee HRD in accordance with the Skills Development Act;
- To provide for special departmentally managed intervention projects in the education system as a whole;
- Provide educators and learners in public ordinary schools with departmentally managed support services; and
- Provide departmentally managed examination services.