



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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Mr S Mlotshwa

The Principal: Majuba TVET College

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NEWCASTLE

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Dear Mr Mlotshwa

FINAL BUDGET ALLOCATION FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING COLLEGES FOR THE 2016/17 FINANCIAL YEAR

The Department has finalised the distribution of the programme funding (80%) and bursary allocations (20%) for your college for the 2016/17 financial year. The allocation should be used in support of the programme offering for the approved Ministerial Programmes (i.e. National Certificate (Vocational) (NC (V)) and Report 190/191 Programmes).

During the planning process for Technical and Vocational Education and Training (TVET) Colleges for the 2016 Medium Term Expenditure Framework (MTEF), the Department provided TVET Colleges with preliminary budget allocations to be used for planning purposes. These budget allocations were calculated based on the 2015/16 final budget allocation inflated by the projected Consumer Price Index (CPI) for 2016/17 as per the National Treasury guideline. The 2015/16 final budget allocations were calculated using the February 2013 student enrolment data as reported by TVET Colleges.

The determination of the final budget allocation for 2016/17 has been finalised based on the same principles utilised during the calculation of the indicative budget, i.e. inflating the 2015/16 budget with the projected CPI. The same method of calculation has also

been used in the determination of the Compensation of Employees and the bursary allocation.

The total available budget for the TVET Colleges in 2016/17 amounts to R6.594 billion. This funding can afford to cater for only 414 094 students out of the 664 748 reported in February 2015 which translates to 210 868 Full-Time-Equivalents (FTE) nationally, thus providing for 62% of total enrolments.

The final budget allocation for 2016/17 for your college is as follows:

Table 1: Final Programme Funding and Bursary Allocations for 2016/17

Budget Allocation: 2016/17			
Programme Funding (80%)			Total Bursary Allocation (20%)
Compensation of Employees (PERSAL Allocation)	Direct Transfer	Total Final Budget Allocation	
R'000	R'000	R'000	R'000
191 547	36 923	228 470	91 711

The above allocation provides for the following number of funded FTEs and headcount student enrolment in your college.

Table 2: Number of funded FTE and Headcount for 2016/17

Programmes	FTE		Headcount	
	Actual Reported: 2013	Funded: 2016	Actual Reported: 2013	Funded: 2016
NC (V)	5 273	2 886	5 743	3 356
Report 191	7 724	4 084	19 854	10 760
Total	12 997	6 971	25 597	14 117

*FTE funded student enrolment were converted to headcount by multiplying business student enrolment by 2 and engineering student enrolment by 3.

The TVET College allocation consists of the following economic categories:

a. Compensation of Employees (CoE):

The CoE allocation is meant for salary and related expenses of TVET College staff who are offering Ministerially approved programmes including management staff of the college. In terms of the National Norms and Standards for Funding TVET Colleges (NSF-TVET Colleges), the Department is required to transfer any unspent funds on CoE to TVET Colleges by the end of the financial year. The utilisation of

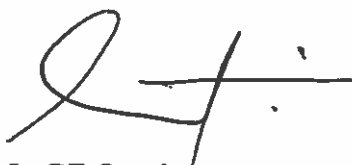
the unspent funds will be made in accordance with the conditions as outlined in paragraph 117 of the NSF-TVET Colleges. This allocation will be retained by the Department.

b) Direct Transfers

Direct Transfers and subsidies cater for goods and services or operational costs including purchasing of support material for both the students and lecturers. This form of funding will be transferred directly to TVET Colleges in three payments, of which the first payment (50%) will be transferred in April 2016, the second payment (25%) in October 2016 and the final payment (25%) in January 2017. The utilisation of the subsidy allocation will be regulated in terms of TVET College policies which must not be inferior to the requirements of the Public Finance Management Act (PFMA).

For distribution of the bursary allocation, the rules and guidelines for the administration and management of the TVET College bursary scheme for 2016 issued by the Department must be followed. You are advised to contact Mr Zirk Joubert at joubert.i@dhet.gov.za or 012 312 5499 should you require any clarity on the final budget allocation.

Yours sincerely



Mr GF Qonde

Director-General

Date: 07 / 04 / 2016