



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA

Government underspending  
analysis 2011/12 - 2020/21:  
Department of Higher Education  
and Training – May 2023

Parliamentary

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Office

Bill

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### Executive Summary

Over the years, the post-apartheid democratic government of South Africa has made numerous changes to the higher education system to redress inequality and improve the provision of education services. Universal access to education is a fundamental right provided for in section 29 of the Constitution of South Africa, with the Constitution stating that "Everyone has the right (a) to a basic education, including adult basic education; and (b) to further education, which the state, through reasonable measures, must make progressively available and accessible". It is thus critical that oversight bodies assess how allocated resources are being utilized to realise this right to education progressively. The annual budget has proven to be a key policy tool being that it has been used by the government to fund its strategies, policies and programmes. Hence, implementation of appropriated budgets has become a key indicator of

the overall ability of the government to deliver on these programmes.

Although underspending has been highlighted as a weakness in government policy for some years now, the extent of this negative trend has been understudied in the South African context. In recent years, the National Treasury (NT) has identified underspending across all national government departments<sup>1</sup>.

In response, this brief provides an analysis of government spending in order to engage with spending trends in the department of Higher Education and Training and so seek to understand the reasons for this underspending. This is the fourth of a series of PBO briefs examining underspending, where assessment of other budget votes will follow in due course.

In examining underspending in Higher Education and Training (DHET) showed, our analysis of spending trends in the DHET:

- The expenditure trend analysis of the department indicates that, over the period we investigated, there was no significant underspending recorded.
- At the programme level, underspending was more prevalent in Administration, Planning, Policy and Strategy and Community Education and Training.
- Analysis by economic classification level shows that there was no clear trend of underspending in the department. However, where the department incurred underspending, it was driven by current payments and transfers and subsidies.

The following key issues have been identified by the study for further consideration and oversight purposes by Parliament:

- Vacancies in critical posts in the department have contributed to delays in spending budgets.
- Complex procurement processes.
- Delays in payment of suppliers invoices or claims by the department.
- Operation costs and cost containment measures.
- Process delays within institution lead to underspending.
- Non-Implementation of Projects/Programmes leads to underspending.
- Claims contributed to underspending.

### 1. PURPOSE

The rationale behind this brief is to provide Members of Parliament (MPs) with an analysis of trends in government spending outcomes for Higher Education and Training in the period from 2011/12 to 2020/21.

<sup>1</sup>National Treasury, 2022. The 2021/22 quarter 4 Spending outcomes presentation to Standing Committee on Appropriations (SCOA)

## 2. INTRODUCTION

Over the years, the post-apartheid democratic government of South Africa has made numerous changes to the higher education system to redress inequality and improve the provision of education services. Universal access to education is a fundamental right provided for in section 29 of the Constitution of South Africa, with the Constitution stating that "Everyone has the right (a) to a basic education, including adult basic education; and (b) to further education, which the state, through reasonable measures, must make progressively available and accessible". It is thus critical that oversight bodies assess how allocated resources are being utilized to realise this right to education progressively. The annual budget has proven to be a key policy tool being that it has been used by the government to fund its strategies, policies and programmes. Hence, implementation of appropriated budgets has become a key indicator of the overall ability of the government to deliver on these programmes.

Although underspending has been highlighted as a weakness in government policy for some years now, the extent of this negative trend has been understudied in the South African context. In recent years, the National Treasury (NT) has identified underspending across all national government departments<sup>2</sup>. In response, this brief will seek to provide an analysis of government spending in order to engage with spending trends in the department of Higher Education and Training and so seek to understand the reasons for this underspending. This is the fourth of a series of PBO briefs examining underspending, where assessment of other budget votes will follow in due course.

## 3. STATE OF HIGHER EDUCATION AND TRAINING

In 2004, South Africa started to reform its public higher education (HE) system to merge and incorporate small public universities into larger institutions while renaming all the existing institutions of higher education. The aim of the HE reform was to enact and improve the provisions of the constitution to give the population access to education as a basic right and so increase overall provision of higher education. In this respect, three kinds of public universities became available: traditional universities, which offer university degrees oriented toward academic or theoretical study; universities of technology ("technikons"), which offer vocational diplomas and degrees; and comprehensive universities, which offer a combination of both types of qualifications, vocational and academic/theoretical.

In turn, progress has been made in terms of expanding student enrolment and subsequent access to the education system on the part of the general population. University enrolment increased from about 500,000 in 1994 to over 1.3 million in 2020<sup>3</sup>. The sharp increase in student enrolment is an indication of a major improvement in access to higher education. For example, the percentage of individuals possessing some post-school education increased from 9.2 per cent in 2002 to 14.6 per cent in 2021. Improvement in access to higher education system can also be linked to a growing number of individuals with pre-university education. The percentage of individuals aged 20 years and older who have attained at least Grade 12 subsequently increased from 30.5 per cent in 2002 to 50.5 per cent in 2021. The percentage of individuals without any schooling then decreased from 11.4 per cent to 3.2 per cent over the same period.

Most of the expansion in access to education is due to higher headcount enrolment of black students who comprised more than 84 per cent of university students in 2017<sup>4</sup>. Despite this increase, however, enrolment is still low in relation to the size of the South African population (65 million) compared to other middle-income developing countries<sup>5</sup>. The government has made plans to increase university enrolment to 1.5 million by 2030 as a report by Stats SA shows that "even though most students are black African, the education participation rate of this population group remained proportionally low in comparison with the Indian/Asian and white population groups"<sup>6</sup>. In fact, school attainment levels have a direct impact on employment. Of the 7.8 million unemployed individuals in Q4 2022, 40.1 per cent had education levels below matric, 34.4 per cent had matric, 10.6 per cent were graduates and 21 per cent had other tertiary qualifications.

Another paradox in relation to the progress made in terms of enrolment is the reality that South Africa's universities have witnessed unprecedented student revolts over the past years. The student protests are a major manifestation of shortcomings within the higher education system, with the protests attesting to continued racial disparity in the student population. Being that most university students are now black, they are reliant on NSFAS funding for their schooling. In February 2023, the portfolio committee on Higher Education, Science and Innovation was briefed by the Department of Higher Education and Training (DHET) and the National Student Financial Aid Scheme (NSFAS) on NSFAS funding disbursements, indicating that the NSFAS received 978,402 first-time applications and had funded over 657,000 new applicants<sup>7</sup>.

<sup>2</sup>National Treasury, 2022. The 2021/22 quarter 4 Spending outcomes presentation to Standing Committee on Appropriations (SCOA)

<sup>3</sup>DHET (2022). 2020 statistics on post-school education and training in South Africa, released in March 2022

<sup>4</sup>Essop, A. (2020). The Changing Size and Shape of the Higher Education System in South Africa, 2005-2017. Ali Mazrui centre for higher education studies.

<sup>5</sup>Tjønneland, E. N. (2017). Crisis at South Africa's universities – what are the implications for future cooperation with Norway? Available online:

<https://www.cmi.no/publications/4180-crisis-at-south-african-universities-what-are-the>

<sup>6</sup>Stats SA. General Household Survey 2021

<sup>7</sup>Portfolio committee on Higher Education, Science and Innovation (2023). NSFAS funding disbursement: 2023 Public Sector Education and Training (PSET) Sector Academic Year

This brief places a particular focus on whether or not the DHET is utilizing their earmarked allocation to realise the right to education. In other reports, the PBO has highlighted trends in allocations as well as performance. The hope is that the current report will resolve this question.

#### 4. METHODOLOGY

In order to assess the extent of underspending in higher education and training departments The Parliamentary Budget Office has adopted a mixed method approach, which comprises of both quantitative and qualitative analysis. This analysis was undertaken using data from the Estimates of National Expenditure (ENE) reports for DHET between 2011/12 to 2020/21. It also draws information from national and provincial departmental annual reports in the name of identifying the reasons for underspending.

##### 4.1. Quantitative analysis

Here, quantitative data was collected at the programme and economic classification level from the Estimates of National Expenditure (ENE) published by the National Treasury. We calculated budget deviation by comparing the adjusted appropriations to the audited expenditure outcomes between 2011/12 and 2020/21. To determine the level of under-expenditure, the budget deviations were calculated as a percentage of the total adjusted appropriation. The analysis applies a 2 per cent threshold to the lower bound (underspend) which is generally considered to be an acceptable deviation by government.

##### 4.2. Qualitative analysis

Further information on the reasons for underspending by the national department was obtained from the annual departmental reports. The reasons for underspending were then collected at both programme and economic classification levels. This brief subsequently summarizes the most frequently occurring reasons for underspending in specific financial years.

#### 5. SPENDING TRENDS IN THE HIGHER EDUCATION AND TRAINING

##### 5.1. Overview: Higher education and training

The system for providing Higher Education and Training has undergone numerous changes over the years. As a consequence, the Department of Higher Education and Training (DHET) now oversees higher education and vocational training including Community Education and Training (CET).

The literature shows that the country has a relatively large group of illiterate adults where, in general, the adult population has low levels of education and limited opportunities for skills development. The DHET subsequently reported that about 3.7 million South African adults were recorded as uneducated and illiterate in 2020<sup>8</sup>. The department has been using Community Education and Training as one programme aimed at fostering adult learning, accounting for a range of ethnic groups.

Nonetheless, drop-out rates remain of critical concern in the HE and training sector. One study conducted in 2015 found that 50-60 per cent of South African students drop out over their first year of study due to issues associated with financial problems, amongst others<sup>9</sup>. To address this problem, the government of South Africa has drawn upon the National Student Financial Aid Scheme (NSFAS) to support HE students in funding their studies. The demand for a NSFAS bursary scheme continues to increase as 941,491 students are funded through NSFAS in the 2023 academic year compared to 691,432 students in 2022<sup>10,11</sup>.

##### 5.2. Higher education and training funding and programmes

Public HE services are principally funded by government acting with the national sphere. The budget for the DHET is subsequently divided into three components: block funds; earmarked funds; and institutional funds. Block grants consist of teaching input grants, teaching output grants, and research grants. Most of the budget for earmarked grants is set aside to fund NSFAS but the department also receive funds by different international organisations such as the European Union (EU) and United States Agency for International Development (USAID).

The department has six main programmes: Administration; Planning; Policy and Strategy; University Education; Technical Vocational Education & Training; Skills Development; and Community Education & Training.

##### 5.3. Spending trends

Table 1 gives the expenditure trends of the National Department of Higher Education and Training between 2011/12 and 2020/21. The expenditure trend over the period under review shows that underspending on average was below 0.5 per cent of the adjusted budget.

<sup>8</sup> Khuluve, M. (2022). Fact Sheet: Adult Literacy in South Africa. [Online]. Available online: [https://www.dhet.gov.za/Planning%20Monitoring%20and%20Evaluation%20Coordination/Fact%20Sheet%20-%20Adult%20Literacy%20in%20South%20Africa\\_March%202022.pdf](https://www.dhet.gov.za/Planning%20Monitoring%20and%20Evaluation%20Coordination/Fact%20Sheet%20-%20Adult%20Literacy%20in%20South%20Africa_March%202022.pdf).

<sup>9</sup> Nkosi, B. (2015). Of the 18% of matrics registered at universities, half drop out. Mail & Guardian. [Online]. Available from: <https://mg.co.za/article/2015-05-21-18-of-matrics-register-at-universities-half-drop-out/>

<sup>10</sup> South Africa Government News Agency. (2022). NSFAS 2022 Funding Reaches 691 432 Students. [Online]. Available from: <https://www.sanews.gov.za/south-africa/nsfas-2022-funding-reaches-691-432-students>.

<sup>11</sup> NSFAS NEWS. (2023). NSFAS Releases Funding List for Returning Students 2023. [Online]. Available from: <https://nsfas-applications.co.za/nsfas-releases-funding-list-for-returning-students/>.

Table 1 Deviation in adjusted versus audited spending outcomes by programme for Higher Education and Training, (2011/12 - 2020/21)

R million	Administration		Planning, Policy and Strategy		University Education		Technical and Vocational Education and Training		Skills Development		Community Education and Training		Total	
	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent
2011/12	(3.9)	-1.8%	(2.2)	-5.5%	(0.3)	0.0%	13.5	0.2%	10.7	8.1%	-	-	17.8	0.1%
2012/13	(7.5)	-3.4%	1.5	3.1%	(17.0)	-0.1%	(1.7)	0.0%	(17.9)	-17.7%	(0.0)	0.0%	(42.5)	-0.1%
2013/14	196.4	42.4%	3.9	7.6%	(212.4)	-0.8%	4.6	0.1%	(18.0)	-17.1%	-	0.0%	(25.4)	-0.1%
2014/15	51.6	18.1%	46.0	50.2%	(40.4)	-0.1%	(96.3)	-1.6%	(25.7)	-24.2%	(0.3)	0.0%	(65.0)	-0.2%
2015/16	12.7	3.5%	6.2	10.7%	(51.1)	-0.2%	37.6	0.6%	(104.1)	-92.4%	35.5	1.9%	(63.2)	-0.2%
2016/17	0.0	0.0%	14.8	20.6%	16.8	0.0%	(69.7)	-1.0%	0.8	0.4%	88.1	4.3%	50.7	0.1%
2017/18	7.2	1.8%	1.3	1.9%	2.6	0.0%	(60.8)	-0.8%	6.8	2.7%	54.6	2.5%	11.8	0.0%
2018/19	19.2	4.9%	8.9	0.2%	18.3	0.0%	(33.6)	-0.3%	4.8	1.8%	185.0	8.6%	202.6	0.3%
2019/20	19.5	4.7%	20.0	0.4%	25.5	0.0%	106.4	0.9%	(10.3)	-3.7%	89.6	4.2%	250.7	0.3%
2020/21	2.8	0.7%	2.5	0.1%	(40.4)	-0.1%	179.5	1.5%	8.8	3.1%	244.2	10.9%	397.5	0.4%

Source: PBO calculations using National Treasury ENE data

Note: Per cent denotes underspending as a proportion of the total adjusted budget

Note: Underspending equal or above two per cent are highlighted in red font

At the programme level, underspending was more prevalent in Administration, Planning, Policy and Strategy and Community Education & Training. However, the combined account for the two programmes was less than 10 per cent of the department's total budget. The Administration & Planning and Policy & Strategy programmes incurred significant underspending between 2013/14 and 2015/16 ranging from 4 per cent to 50 per cent of the adjusted budget.

Table 2 shows spending in relation to direct charges and the National Revenue Fund (NRF). These charges are for the Sector Education and Training Authorities (SETA) and the National Skills Fund. Their combined budgets were equivalent to 30 per cent of the DHET budget in 2011/12, having decreased to 20 per cent of the DHET budget in 2020/21.

Table 2 Deviation in adjusted versus audited spending outcomes by direct charges against NRF for Higher Education and Training, (2011/12 - 2020/21)

R million	Sector education and training authorities		National Skills Fund		Total direct charge against the NRF		Total of programmes		Total	
	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent	Under/(Over) spending	Per cent
2011/12	55.9	0.7%	14.0	0.7%	69.9	0.7%	17.8	0.1%	87.7	0.2%
2012/13	(235.6)	-2.6%	(58.9)	-2.6%	(294.5)	-2.6%	(42.5)	-0.1%	(337.0)	-0.8%
2013/14	166.8	1.7%	43.0	1.8%	209.8	1.7%	(25.4)	-0.1%	184.4	0.4%
2014/15	(510.4)	-4.8%	(128.4)	-4.9%	(638.8)	-4.8%	(65.0)	-0.2%	(703.8)	-1.3%
2015/16	-	0.0%	-	0.0%	-	0.0%	(63.2)	-0.2%	(63.2)	-0.1%
2016/17	170.6	1.4%	58.5	1.9%	229.2	1.5%	50.7	0.1%	279.9	0.4%
2017/18	(478.1)	-3.8%	(44.9)	-1.4%	(523.0)	-3.3%	11.8	0.0%	(511.2)	-0.8%
2018/19	(134.2)	-1.0%	(33.5)	-1.0%	(167.7)	-1.0%	202.6	0.3%	34.9	0.0%
2019/20	234.0	1.6%	58.5	1.6%	292.5	1.6%	250.7	0.3%	543.2	0.5%
2020/21	(1 800.7)	-22.1%	(437.7)	-21.5%	(2 238.4)	-22.0%	397.5	0.4%	(1 840.9)	-1.8%

Source: PBO calculations using National Treasury ENE data

Note: Per cent denotes underspending as a proportion of total adjusted budget

Table 3 shows that no clear trend of underspending was apparent at the economic classification level in the DHET. Where the department incurred underspending, this was found to be driven by current payments, transfers and subsidies. Under current payments, compensation of employees was found to

be the main driver of underspending excepting the periods of 2013/14 and 2014/15 where they overspent on this expenditure item. Under transfers and subsidies, underspending was then principally recorded for transfers to non-profit institutions in 2013/14, 2014/15, 2018/19 and 2019/20.

Table 3 Deviation in adjusted budget versus audited expenditure by economic classification for Higher Education and Training, (2011/12 - 2020/21)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Current payments</b>	<b>12.7%</b>	<b>13.7%</b>	<b>-38.7%</b>	<b>-40.5%</b>	<b>2.1%</b>	<b>0.8%</b>	<b>0.2%</b>	<b>2.2%</b>	<b>2.5%</b>	<b>4.6%</b>
Compensation of employees	9.6%	14.1%	-41.1%	-41.8%	2.1%	0.8%	0.2%	2.2%	1.2%	3.8%
Goods and services	42.8%	2.9%	-0.7%	-12.1%	3.7%	2.1%	0.9%	1.3%	20.4%	19.4%
<b>Transfers and subsidies</b>	<b>-2.2%</b>	<b>-3.5%</b>	<b>4.8%</b>	<b>3.1%</b>	<b>-0.4%</b>	<b>0.4%</b>	<b>-0.9%</b>	<b>-0.2%</b>	<b>0.3%</b>	<b>-2.5%</b>
Departmental agencies and accounts	0.5%	-1.9%	1.0%	-3.4%	-0.3%	1.0%	-2.0%	-5.1%	0.6%	-5.0%
Higher education institutions	0.0%	-0.1%	0.0%	-0.2%	-0.2%	0.0%	0.0%	-6.5%	-12.3%	0.0%
Foreign governments and international	2.6%	-3.7%	-2.2%	-2.3%	18.0%	8.6%	5.2%	25.0%	26.5%	7.1%
Non-profit institutions	-	-19467.1%	63.9%	63.8%	-3.6%	-1.9%	0.0%	96.3%	96.2%	-5.0%
Households	49.9%	-1.3%	-1.5%	99.8%	-1238.8%	-135.6%	-105.7%	-136.5%	-65.5%	-115.6%
<b>Payments for capital assets</b>	<b>63.8%</b>	<b>-8.4%</b>	<b>13.2%</b>	<b>-12.5%</b>	<b>1.6%</b>	<b>-28.9%</b>	<b>25.9%</b>	<b>10.8%</b>	<b>45.7%</b>	<b>73.6%</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-57.4%	-	-
Machinery and equipment	64.7%	-11.5%	11.2%	-12.5%	2.7%	-28.2%	9.8%	27.8%	50.5%	70.6%
Software and other intangible assets	-	100.0%	88.0%	-	-	-	98.8%	-443.5%	-10.5%	97.3%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2.4%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>0.2%</b>	<b>-0.8%</b>	<b>0.4%</b>	<b>-1.3%</b>	<b>-0.1%</b>	<b>0.4%</b>	<b>-0.8%</b>	<b>0.0%</b>	<b>0.5%</b>	<b>-1.8%</b>

Source: PBO calculations using National Treasury ENE data  
 Note: Per cent denotes underspending as a proportion of total adjusted budget

Note: Underspending equal or above two per cent are highlighted in red font

#### 5.4. Reasons for underspending government budget

Table 4 Reasons for underspending in Department of Higher Education and Training, (2011/12 & 2015/16)

Department of Higher Education and Training underspending can be attributed to the following reasons
<ul style="list-style-type: none"> <li>• <b>Supply chain management problems:</b> <ul style="list-style-type: none"> <li>○ Procurement processes                             <ul style="list-style-type: none"> <li>▪ To take the example of 2011/12, the Human Resource Development Strategy of South Africa (HRDSA) programme which supports the work of the secretariat for HRDSA could not spend its allocated budget of R55 million due to protracted procurement procedures.</li> </ul> </li> <li>○ Delays in invoices                             <ul style="list-style-type: none"> <li>▪ Another example is that outstanding invoices for litigation matters were not received on time in the years 2015/16 and 2016/17.</li> </ul> </li> </ul> </li> <li>• <b>Compensation of employees</b> <ul style="list-style-type: none"> <li>○ Department reports shows that underspending from 2015/16 to 2019/20 can be attributed to the slow filling of vacant posts in multiple programmes due to large volumes of applications.</li> <li>○ For example, underspending was due to a moratorium placed on the filling of vacant posts transferred from PEDs in respect of the Technical and Vocational Education and Training and Community Education and Training functions in 2016/17.</li> </ul> </li> <li>• <b>Non-Implementation of Projects/Programmes</b> <ul style="list-style-type: none"> <li>○ In 2011/12, for example, underspending on the Indlela security system was due to the quantity of consultation time required because of the nature of the project.</li> </ul> </li> <li>• <b>Transfer Issues</b> <ul style="list-style-type: none"> <li>○ From 2015/16 to 2019/20, underspending was driven by savings on transfers to the India-Brazil-South Africa Trilateral Commission because no invoices received on services were rendered in these financial years.</li> <li>○ Underspending occurred due to the favourable rand/euro exchange rate applicable when payments were made to the Commonwealth of Learning in 2018/19 and 2019/20.</li> </ul> </li> <li>• <b>Process Delays</b></li> </ul>

- The National Skills Development Strategy III (NSDS III) Programme: Key projects for the New Growth Path, Industrial Policy Action Plan (IPAP) and rural development funds saw underspending due to low activity in the projects funded and a delayed start of NSDS III rollout process in 2011/12.
- In 2011/12, the skills infrastructure programme was a large part of the budget that was unspent. This was a result of delay in implementation of skills infrastructure programmes that required detailed planning and costing before funds could be committed.
- In 2011/12, delays occurred in finalising capacity building projects for the National Skills Authority.
- In 2019/20, funds set aside for a feasibility study on a new head office were not claimed as planned.
- **Claims**
  - From 2018/19 to 2019/20, the Community Education and Training (CET) claims were not received as planned.
  - Legal and legislative fees for claims were not received for court cases.
- **Operational Costs and Cost Containment Measures**
  - Another example was the operational costs of newly established colleges as well as the cost containment measures put in place to ensure that the National Department of Higher Education and Training would not overspend its budget.
  - In 2016/17, the operational costs of regional offices did not take place as projected.

Source: department of higher education and training annual reports, 2011/12 – 2020/21

## 6. KEY CONSIDERATIONS IN DEALING WITH UNDERSPENDING

**Vacancies in critical posts in the department and entities have contributed to delays in spending budgets:** The number of personnel in critical posts within the department is linked to government service delivery. This failure to fill critical posts has had a direct impact on the government's ability to use the budget to deliver much needed government services.

**Complex procurement processes:** One example here is that protracted procurement procedures have resulted in underspending within the HRDSA programme which was allocated a R55 million budget. Promoting procurement best practices of supply chain management systems should thus be prioritised within government departments and entities

**Delays in payment of suppliers invoices or claims by government departments and entities:** This is one of the major reasons cited for underspending on education by the department. It is thus worth highlighting that delays in the payment of invoices are in breach of Treasury regulations.

**Operation costs and cost containment measures:** Owing to fiscal consolidation, the measures implemented by the department to contain expenditure have merely led to underspending.

**Process delays within institutions lead to underspending:** To take the 2011/12 financial year, the skills infrastructure programme was a significant part of the budget that remained mostly unspent. One explanation for this discrepancy was the requirement of the skills infrastructure programme to have detailed planning and costing before funds could be committed.

**Non-Implementation of Projects/Programmes leads to underspending:** In 2011/12, for example, the NSDS III under-spent its budget by 62 per cent, recording only R367 million expenditure in relation to a budget of R967 million. As a consequence, key projects for the new growth Path, IPAP and rural development could not achieve a reasonable level of expenditure due to low activity in the projects that did receive funding and a delayed start to the NSDS III rollout process.

**Claims contributed to underspending:** In 2019/20, for instance, underspending was caused by delays in the finalization of litigation matters which are often protracted, alongside delays by counsel who were briefed to file their invoices with the State Attorney offices because no invoices were received for services rendered during the financial year. Moreover, the failure to receive legal and legislative fee claims for court cases led to their budgets remaining unspent.

## 7. CONCLUSION

The expenditure trend analysis conducted by the DHET showed that no significant underspending was recorded over the period we have investigated in this brief. Nonetheless, other material underspending has taken place within the programmes in question. Although the reasons for underspending are unique in relation to other departments, certain common causes are identifiable. Subsequently, addressing the issues identified here in relation to underspending might improve the provision of education services. At the same time, the 2030 goal of providing quality learning opportunities for people who want to shape their careers or upgrade skills might also be achieved. Future briefs will provide an analysis on other votes.