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**GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS**

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**DEPARTMENT OF HIGHER EDUCATION AND TRAINING****NO. 274****06 MARCH 2020****CONTINUING EDUCATION AND TRAINING ACT, 2006 (ACT NO. 16 OF 2006)  
NATIONAL NORMS AND STANDARDS FOR FUNDING COMMUNITY  
EDUCATION AND TRAINING COLLEGES**

I, Bonginkosi Emmanuel Nzimande, in terms of section 23 of the Continuing Education and Training Act, 2006 (Act No. 16 of 2006), hereby publish the National Norms and Standards for Funding Community Education and Training Colleges as set out in the Schedule. These Norms and Standards substitutes the National Norms and Standards published in Government Notice No. 1083, Government Gazette No. 39381 of 09 November 2015.

A full set of the National Norms and Standards for Funding Continuing Education and Training Colleges is also accessible on the following website of the Department:  
[www.dhet.gov.za](http://www.dhet.gov.za).



**Dr BE Nzimande, MP**  
**Minister of Higher Education, Science and Technology**

**Date:** 30/01/2020

**SCHEDULE****NATIONAL NORMS AND STANDARDS FOR FUNDING COMMUNITY EDUCATION  
AND TRAINING COLLEGES****TABLE OF CONTENTS**

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**ABBREVIATIONS AND ACRONYMS**

ABET	Adult Basic Education and Training
AET	Adult Education and Training
CET	Community Education and Training
CET Act	Continuing Education and Training Act, No. 16 of 2006
CET college	Community Education and Training College
CLC	Community Learning Centre
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
FET	Further Education and Training
HETLA	Higher Education and Training Amendment Laws Act, Act No. 25 of 2010
MTEF	Medium-Term Expenditure Framework
NNSF-ALCs	National Norms and Standards for Funding Adult Learning Centres
NNSF-CET colleges	National Norms and Standards for Funding Community Education and Training Colleges
NPNC	Non-Personnel Non-Capital
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
PALC	Public Adult Learning Centre
PED	Provincial Education Department
PFMA	Public Financial Management Act, Act No. 1 of 1999

PPN	Post Provisioning Norms
PSET	Post-School Education and Training
SCM	Supply Chain Management
SETA	Sector Education and Training Authority
SNE	Special Needs in Education
WP-PSET	White Paper on Post-School Education and Training

**DEFINITIONS**

- (i) In this document, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Continuing Education and Training Act, 2006 (No. 16 of 2006), has that meaning.
- (ii) Colleges in this document means CET colleges as defined in the CET Act.

## SCOPE AND APPLICATION

- (iii) The norms and standards in this document apply uniformly in all Community Education and Training Colleges.
- (iv) These norms and standards apply to the college financial year (January to December) while the State funding to colleges is aligned to the State financial year (April to March).
- (v) Pre-conditions for full, efficient and effective implementation of the norms and standards are described later in this document where required, with suggestions for a sequence of activities that would enable the Department and CET colleges to prepare themselves to put the norms and standards into effect.



## A. INTRODUCTION

1. These draft National Norms and Standards for Funding Community Education and Training colleges (NNSF-CET colleges) provide for a funding mechanism for Community Education and Training (CET) colleges. The Public Adult Learning Centres (PALCs) were merged into the CET colleges from 1 April 2015 and are now called Community Learning Centres.

## B. BACKGROUND

2. The responsibility of the Adult Basic Education and Training (ABET) Act, 2000 (Act No.52 of 2000) was based at the former national Department of Education and transferred to the Minister of Higher Education and Training through Proclamation No.44 of 2009 published in Government Gazette No.32367 of 1 July 2009.
3. To give legislative effect to the Proclamation referred to above, the legislative responsibility for Adult Basic Education and Training was transferred to the Minister of Higher Education and Training through the Higher Education and Training Amendment Laws Act (HETLA), 2010 (Act No.25 of 2010).
4. Through the HETLA, the ABET concept was changed to AET in order to eliminate the concept "basic" from the naming of the institutional type. However, notwithstanding the change, the provision of adult basic education as a programme of government still had to be catered for in the post-school education and training (PSET) system established in 2009 to comply with the provisions of section 29(1) of the Constitution of the Republic of South Africa.
5. The Further Education and Training (FET) Colleges Act, 2006 (Act No. 16 of 2006), was amended through the FET Colleges Amendment Act, No. 1 of 2013. One of the amendments was to change the name of the Act to Continuing Education and Training Act (Act No.16 of 2006), which introduced the new Community Education and Training (CET) college as one of the types of a public college. The CET Act then

became the primary legislation governing CET colleges. To give effect to this, nine (9) CET colleges (one per province) were established through government gazette no. 38570 in 2015. One of the consequences of the FET Colleges Amendment Act was the repeal of the Adult Education and Training Act, 2000.

6. In 2013, Government approved the White Paper on Post-School Education and Training, (WP-PSET) which envisioned the transition of Adult Education and Training (AET) that was offered through Public Adult Learning Centres (PALCs) to CET colleges. The former PALCs were then named and merged as Community Learning Centres (CLCs) under the nine CET colleges as published in government gazette no. 38674 of 2015.

**Table 1: Number of CLCs per college**

CET college	Old Number of CLCs*	New Number of CLCs**
Eastern Cape	304	30
Free State	204	15
Gauteng	47	47
KwaZulu-Natal	1097	40
Limpopo	779	20
Mpumalanga	252	15
North West	148	7
Northern Cape	191	11
Western Cape	254	15
<b>Total</b>	<b>3276</b>	<b>200</b>

\* The old number of CLCs is as published in a Government Gazette No. 38674

\*\*The new number of CLCs effective from 1 April 2020 as per the 2019 approved CET system: National Plan for Implementation of the White Paper for PSET system 2019-2030

7. Since establishment of the CET colleges in April 2015, the basis for allocating funds is in line with the historical practice of how allocations to PALCs were

previously determined by Provincial Education Departments (PEDs). This implies that, the determination of allocations by the Department of Higher Education and Training (DHET) was largely informed by the manner in which allocations were determined for PALCs by PEDs prior to the shift of the administrative function from PEDs to the Department.

8. The total allocation to each CET college is for Personnel, Goods and Services and Capital Expenditure. The allocation for Goods and Services as well as Capital Expenditure is provided as a transfer to CET colleges. The allocation to each CET college includes the total allocation for all CLCs that are merged under that CET college.
9. The personnel allocation for CET colleges is retained and administered by the Department as it is the responsibility of the Minister to appoint personnel of CET colleges, as per the CET Act.

#### **The right to education and the financial responsibility of the State**

10. The Bill of rights in the Constitution of Republic of South Africa, 1996 (No. 8 of 1996) establishes the right to education in these terms (section 29(1)):

“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.”

11. The CET Act came into effect in 2006. Its purpose is defined under section 2(1)(a)(b) of the Act.

12. This policy emanates from section 23 of the CET Act, which requires the Minister to determine minimum norms and standards for the funding of public colleges.

### **C. PURPOSE OF THIS POLICY**

13. This policy provides for a mechanism to distribute funding that is intended for CET colleges and governs all funding and expenditure for programmes offered in these colleges. It seeks to address the issues of fairness, equity, efficiency and accountability, taking into account the need to redress past imbalances for improved social and economic development.
14. This funding policy does not provide new or additional funding; however, it brings in new funding prescripts and considerations that are not addressed in the 2015 NNSF-CET colleges. This policy provides suitable norms and standards for the distribution of funds to the CET colleges.

### **D. CONSULTATION**

15. This policy results from the recommendations made in the report of the Ministerial Committee on the Review of the NNSF-ALCs as well as the analysis of public comments received on the report following its publication in 2017.

### **E. FUNDING CHALLENGES IN THE CET SECTOR**

16. It is acknowledged that there are funding challenges in the sector, the effects of which manifests themselves in the following manner:

- (a) Inappropriate CET college institutional infrastructure

Infrastructure remains a challenge for CET colleges. The majority of CLCs are hosted in schools as per the protocols signed between the Department and the PEDs. The offering of CET programmes in school facilities has resulted in lack of proper tools,

equipment, security and suitable furniture to support teaching and learning for youth and adults.

There is a lack of appropriate infrastructure to support students with special needs and information and communication technology, amongst others.

(b) Lack of diversity of programme offerings or lack of responsiveness and inability to introduce new programmes/qualifications. The CET colleges are limited in terms of programme diversification, the introduction of new programmes and innovation of responsive programmes require additional funding.

c) Inadequate learning and teaching material

Due to limited funding the CET colleges are unable to fully comply with the National Policy on Learning and Teaching Support Materials (LTSM), which requires colleges to provide quality LTSM to all lecturers and students for the effective delivery of the curriculum. An attempt is being made to at least provide for the fundamental learning areas however the rest of the learning areas are compromised. Lack of LTSM undermines the quality of provision and improvement of teaching and learning. It has also proved to be a discouragement to both the lecturers and the students.

d) Standardisation of the conditions of service for lecturers.

The Department inherited the AET system with lecturers who were on varied methods of employment, which ranges from permanent fixed-term contracts to temporary employment and this continues to occur to date.

e) Lack of human resource capacity

Most lecturers within the system are underqualified, unqualified or qualified but inappropriately placed and this leads to inability of lecturers to deliver the programmes

as intended for. There is also a lack of support staff, particularly for student support services.

f) Lack of capacity to manage and administer CET examination

At the point of AET function shift in 2015, the management and administration of the CET examinations remained with the Provincial Education Departments (PEDs) with the intention that the Department would build its own capacity within 2 years. In June 2017, the Department took a decision to extend the protocol regarding the administration of examinations by the Department of Basic Education (DBE) to 31 March 2022. This is as a result of a lack of personnel with appropriate skills for examination administrations.

## FUNDING NORMS AND STANDARDS

### F. REDRESS, EQUITY AND QUALITY

17. The funding of education and training is affected by several important considerations, including the economic and social relevance of education and training, the budget constraints faced by government; and the division of cost incurred between government on one hand; and private households and business on the other.
18. Given the value of these sub-sectors towards economic and social development, there is a need to equitably and fairly fund CET colleges in light of the envisaged increase in enrolments in these institutions, provision of quality teaching and learning, the need for dedicated infrastructure and effective student support services.
19. The provision of funding which will target redress and equity in college funding, with a view to progressively improve the quality of education in colleges, facilitating access and enhancing success, ensuring greater efficiency in organising and providing education and training services, are matters of urgent priority for the Ministry of Higher Education, Science and Technology.
20. The funding of CET colleges comes in various forms, namely; from public funding, the provision of grants to institutions, payment of tuition fees by students, private entities and donations.
21. Section 23 (2) (b) allows the Minister to impose different conditions in respect of different public colleges, different continuing education and training qualifications or part-qualifications or different allocations, if there is a reasonable basis for such differentiation.

## G. ALLOCATIONS TO CET COLLEGES

22. The total allocation to a CET college is for Personnel, Goods and Services and Capital Expenditure (for maintenance of capital infrastructure). The following applies in regards to the allocation:

- (a) The allocation for Goods and Services as well as Capital Expenditure must be transferred to CET colleges by the Department as a subsidy;
- (b) The Personnel allocation for CET colleges is retained and administered by the Department as it is the responsibility of the Minister to appoint personnel of CET colleges; and
- (c) The allocation to a CET college includes the total allocation for all CLCs merged under that CET college.

23. In line with paragraph 13 above, this policy distributes the allocated funding taking into account the following factors:

- (a) Fairness and equity to ensure equitable distribution of funds.
- (b) The effects of the continued historical way of allocating funds.
- (c) The different operational needs at institutional level.
- (d) The need to uplift the standards in some colleges to ensure appropriate level of functionality.
- (e) The need for earmarked funding for specific needs.

24. When determining the allocation to colleges, the Department must consider the following:

- (a) The cost of each programme offered by the college.
- (b) Geographical location, particularly the distances between college head office and CLCs.
- (c) Number of CLCs administered by a college.
- (d) Current and projected student enrolment numbers for expansion.
- (e) Programmes and Qualifications Mix.



- (f) Duration of the programmes.
  - (g) Conditions of existing infrastructure and assets (maintenance and refurbishment).
25. As a minimum, the funding transferred to colleges must cater for the following, within the available funds:
- (a) Learner Teacher Support Material (LTSM)
  - (b) Consumables
  - (c) Lease costs for the college head office
  - (d) Municipal services
  - (e) Infrastructure repairs and maintenance
  - (f) Special needs in education
26. A costing model with detailed costing of programmes as well as a sustainable funding framework are required. This will ensure an appropriate funding formula which takes into account all possible variables, including but not limited to: minimum funding for basic college operations, enrolment numbers, programmes and qualifications mix, duration of programmes, lecturing and support staff required for different programmes.
27. The subsidy allocation transferred to CET colleges must be used for its intended purpose. Where the CET college has accumulated reserves from other resources (not from State funding), such reserves must not be at the expense of quality provisioning and not compromise the core mandate of the college which is teaching and learning.
28. The Department must put a process in place for colleges to report on the unspent funds at year-end as well as how such funds will be utilized in the next financial year. Unspent funds from State funding must not be used to accumulate reserves nor investments because such funding is allocated for a particular purpose, i.e. implementation of teaching and learning.

## **H. ALLOCATIONS TO COMMUNITY LEARNING CENTRES**

29. The minimum conditions under which the CET college may allocate funds to CLCs to ensure fair, equitable and transparent funding are as follows:

- (a) The CET college should determine allocations per CLC and inform each CLC of its indicative allocated budget for the next academic year by November of each preceding year;
- (b) The final allocation to the CLCs by the CET colleges must be made in a manner that strives to ensure that the CLCs are operational throughout the academic year;
- (c) The CET college must clearly inform the CLCs in writing that the allocations are for their daily operations and that they will be spent through a paper budget; and
- (d) As a minimum, CLCs must report on the utilisation of the allocated funds on a quarterly and annual basis to the CET college.

## **I. COLLEGE BANK ACCOUNT AND CLC SUBSIDIARY BANK ACCOUNT**

30. As of 1 April 2015, the CLCs do not have the authority to open bank accounts as was the position with the former PALCs under the AET Act, because CLCs are not juristic persons. A CET college must open only one main bank account in its name as a legal entity.

31. The CET college must make use of a paper budget in order to administer the allocation on behalf of each CLC under its administration. However, the CET college may open subsidiary bank accounts for CLCs should this be considered necessary and cost-effective. The subsidiary account must be linked to the main bank account of the college.

32. The Department will deposit funds allocated to a CET college into its main bank account on condition that:

- (a) The CET college provides the Department with the written assurance that it implements effective, efficient and transparent financial, asset and information management as well as internal control systems annually, before the transfer of funds can occur; and
- (b) The CET college implements council approved Supply Chain Management (SCM) policy and that SCM processes and procedures are in place.

33. The CET colleges must provide CLCs with petty cash or other suitable means as approved by council. The provision of petty cash must be in line with the council approved Petty Cash Policy of the college and not inferior to the Public Finance Management Act (PFMA), Act No.1 of 1999 and National Treasury Regulations.

#### **J. COLLEGE FEES**

34. The CET Act, 2006 (Act No. 16 of 2006), clearly states that public colleges may raise revenue through the charging of college fees.

35. Furthermore, in terms of the CET Act, the council of a college is responsible for determining tuition fees, accommodation fees, and any other fees payable by students as well as accommodation fees payable by employees where the college provides for staff accommodation.

36. The CET Act clearly states that the funds of a public college consist of; amongst others, money payable by students for continuing education and training qualifications or part-qualifications provided by the college.

37. CET colleges largely serve the poor and disadvantaged students and must not charge fees for formal academic programmes. Students enrolling in formal academic programmes may not be denied access based on the inability to pay fees. They must be fully funded by the State in those programmes. (Formal academic programmes

are planned educational interventions that are intended to lead to a full or part-qualifications. These are AET Levels 1 to 4 programmes):

38. State funding does not apply to students enrolled through partnerships, fee-for-service and those in non-formal programmes. These students are eligible to pay fees and no cross-subsidisation must take place from the State funds. Student fees are an important income stream for colleges. (Non-formal learning is planned educational interventions that are not intended to lead to a full or part-qualification).

39. The following conditions apply for charging fees at CET colleges:

- (a) Where the charging of fees is applicable, it must be in accordance with the tuition fee policy of the college determined and approved by council;
- (b) Students must deposit fees directly into the main bank account of the college with the CLC unique code or identifier. Funds raised by CLCs other than student fees, must also be deposited into the main bank account of the college with a unique code or identifier for the CLCs to enable the deposit to be accounted for accurately; and
- (c) The college and CLCs must not collect cash from students for payment of fees. All student fees must be deposited at the bank.

#### **K. FEE EXEMPTION**

40. The council must establish a process for determining tuition fees to be paid by students that are eligible to pay fees. Refer to paragraphs 37 to 39 above. The conditions for the exemption of students who are eligible to pay fees (and not funded by the State) must be outlined in the council approved tuition fee policy of the college.

## **L. ENROLMENT PLANNING**

41. The Department must develop a long-term plan for the college (i.e. at least a 5-year plan) to ensure the financial sustainability of colleges, which is informed by agreed-upon enrolment plans.
42. Enrolments must be based on a long-term plan and must include the projected growth. The Department must agree on the enrolments with each college for a period of at least three years, should a college deviate significantly by 5% more or less from the agreed-upon enrolment targets, the enrolments for the two outer years of the rolling plan must be adjusted in line with the deviation.
43. The colleges must strive to stay within the 5% deviation, either upwards or downwards, of the enrolment plan targets for a period of at least three years to avoid material/significant over-funding (or under-enrolment).
44. Enrolment plans for CET colleges must be linked to available state funding as provided in the Medium-Term Expenditure Framework (MTEF) period. The enrolment targets in these plans must inform the indicative subsidy allocations for colleges for planning purposes.
45. Students funded from partnerships, fee-for-service and those paying fees for non-formal programmes form part of the total enrolment of the college. However, such students must not be counted for purposes of State funding. In line with paragraph 38 above, if a college, as part of a partnership agreement receives funding for tuition fees from a company, such students cannot be funded from the State funding.
46. The CET colleges must take into consideration the Sector Education and Training Authorities' (SETAs) plans regarding training programs for CET colleges. This must be taken into consideration during the enrolment planning process of the college.

## **M. FUNDING OF PROGRAMMES, STUDENT ENROLMENT AND PERSONNEL**

### **Programme Funding**

47. There needs to be a more rational system of fully funding nationally endorsed programmes that are responsive to the local community and labour market needs. This must be on the basis of the cost of delivering the programme and enrolment.

48. There must be no cross-subsidisation of programmes between self-funded and State funded programmes. The self-funded programmes must be charged at the full cost of the programme.

### **Student Enrolment**

49. Student enrolment numbers are headcount based, however, to a greater extent funding will be informed by the items listed in paragraphs 24 and 25 above. Colleges must maintain accurate and complete information on enrolment numbers.

### **Post Establishment and Post Provisioning Norms**

50. The CET Act requires the Minister to remunerate staff from the funds allocated to the respective colleges in accordance with the norms and standards as contemplated in section 23 of the Act.

51. Chapter 4 of the CET Act provide details about the appointment of management staff, lecturers and support staff in public colleges.

52. It is mentioned in paragraph 22 above that the total allocation for CET colleges includes personnel costs. However, this policy does not norm the allocation of the number of posts for lecturing and support staff for (each) CET colleges. This will be

addressed in the post-provisioning norms for CET colleges. Also see paragraphs 58 and 59 below.

53. The post provisioning norms need to be such that posts are allocated to CET colleges in relation to their student enrolment and other related factors, which the Department and colleges must consider in distributing the available posts within the approved post establishment of colleges.

54. The post-provisioning norms must cater for both full-time and part-time positions and be clear on how a full-time equivalent post is determined and staff are utilised, for funding purposes.

### **Personnel Costs for Lecturing and Support Staff**

55. The provision of appropriate support staff in CET colleges has been severely lacking over the years. Within the total personnel spending for CET colleges, personnel costs for lecturing staff must not exceed 80% of the total allocation, the remaining 20% will allow for the appointment and proper distribution of support staff in colleges.

56. The number and cost of the posts allocated to a college will determine a portion of the total budget allocation that is channelled towards the personnel costs of each college.

57. Section 20(4)(b) of the Act allows the council of a public college to appoint staff. Section 20(4)(c) further states that council must remunerate such staff from the funds received by the public college in question from other sources than the money received in terms of section 22 of the Act.

## **N. OTHER FUNDING STREAMS**

The following sections must be read in conjunction with section 24 of the CET Act.

### **College Reserves and Investments**

58. The CET colleges may retain surpluses generated from other sources of funding other than State funds, for use by the college. However, colleges must report to the Department on the retainment and utilisation of such surpluses.

### **National Skills Fund**

59. The CET colleges must liaise with the National Skills Fund (NSF) to familiarize themselves with funding and grants made available for programmes offered by colleges.

### **Sector Education and Training Authorities**

60. SETAs provide access to funding for skills programmes through grants or programmes offered in order to respond to the country's skills development needs. Colleges must engage SETA plans regarding training programmes with funding earmarked for CET colleges.

### **Loans and overdrafts**

61. Section 24 (2) of the Act prohibits a public college from raising money by means of a loan or overdraft without the approval of the Minister. The colleges must submit such requests for consideration by the Minister for approval. The approval will be based on the conditions approved by the Minister. The conditions must clearly state how the default on the repayment of the loans and/or overdraft by the college will be dealt with.



**Private and donor funding**

62. This stream would include, amongst other things, development funding from local and international donor agencies, and income derived from the sale of goods produced by students as part of a training programme.

**Fee-for-service income**

63. This stream of funding is income derived by the CET college from training services offered on a market basis to private and public clients.

64. Colleges need to ensure that fee-for-service prices are not cross-subsidised by public funds intended for State funded programmes. In other words, fee-for service prices should reflect the true cost of offering the service and/or programmes.

65. Fee-for-service training must not be offered at a price that is lower than the cost of an equivalent State funded programme.

**O. EARMARKED FUNDING**

66. The Department may earmark funding for a particular purpose. Earmarked funding is dependent on availability of additional or new funding from the State. The conditions for distribution of earmarked funding to CET colleges must be approved by the Director-General.

67. Earmarked funding must be separate from the goods and services and capital infrastructure maintenance allocation. The items for earmarked funding are listed below, but not limited to:

- (a) Rurality
- (b) Student Resourcing and Support
- (c) Special Needs in Education

- (d) Infrastructure
- (e) Staff Development
- (f) Pilot Community Learning Centres

The principles underpinning each may include but not limited to the following:

### **Rurality**

68. The allocation of funds must take into account the variable costs of programmes and the factors that disadvantage certain institutions and their students (both enrolled and prospective). Rural colleges clearly need a funding adjustment which could be determined through a weighting on the formula to provide for additional funding.
69. Rurality contributes to additional delivery costs as well as travel and accommodation costs for staff and students. Rural costs need to be benchmarked against urban cost. Distance appears to be the most important factor.
70. The classification of colleges as urban, rural and semi-rural is needed to identify those that would qualify for rural funding. If only certain CLCs under a college are rural then rural funding must only be applied to the funding allocation of those CLCs. This must be built into the funding formula.

### **Student Resourcing and Support**

71. The Department may consider the commissioning of a research study for development of study materials for programmes offered in CET colleges.
72. Student support services must be funded on the basis of enrolment of State funded programmes. The services must cover academic, special needs, psycho-social and exit support. Students from disadvantaged backgrounds need more support particularly those from rural areas.

73. The Department must consider establishing a financial aid scheme for the provision of living, transport and accommodation allowance for indigent students as this is a necessity. This will require additional funding from the fiscus. CET colleges financial aid guidelines or regulations must be developed for that scheme to guide the criteria for awarding financial aid to deserving students. CET college students are not part of the current DHET Bursary Scheme administered by the National Student Financial Aid Scheme (NSFAS).
74. Students with academic potential must not be excluded because they cannot afford fees; therefore there is a need for an ongoing student support mechanism in the form of financial aid. This is crucial considering paragraph 40 above.
75. The closing and/or merging of CLCs may result in the need for transport for some students. As mentioned above, the financial aid scheme must include transport allowances for students.
76. Financial incentives linked to college performance may be considered by the Department to be built into the funding formula. However, this must not disadvantage students in cases of overall poor performance of the college. Colleges may use incentives awarded to fund critical needs in line with the conditions provided by the Department.

### **Special Needs in Education**

77. Special Needs in Education (SNE) in CET colleges must be catered for and funded by adding a weight in the funding formula to determine the required additional funding to a college. This means extra funding for students with special needs in a particular programme. The weighting must consider the extra resources and support required. There must be evidence provided by the college to prove that the required special assistance is being provided to such students. The criteria for what count as "special needs" must be determined for application.

**Infrastructure**

78. This funding must be for new infrastructure and ongoing maintenance. Infrastructure development must be implemented on a project basis addressing national priority areas as well as college needs.
79. Infrastructure maintenance costs (including the repair and upgrading of equipment) must also be provided for.
80. Given the envisaged expansion in the CET college system, as the student numbers increase over time, infrastructure funding must be reviewed after a reasonable period as this may lead to increased maintenance costs.
81. The norms and standards for infrastructure provisioning must be developed to address the teaching and learning needs.

**Staff Development**

82. Staff development funding must be allocated on the basis of number of staff that needs training as well as the cost of training. Training and development of lecturing staff must be in line with the identified skills needed for the offering of programmes. The allocation from the skills levy grant must be utilized to implement the skills development plan of the college, for both lecturing and support staff.

**Pilot Community Learning Centres**

83. Programme diversification must be implemented on a project basis in colleges earmarked for specialization of certain programmes.

84. The funding of pilot projects must be such that it does not negatively impact on the operations of the CET colleges.

## **P. BUDGETING, FINANCIAL MANAGEMENT AND REPORTING**

### **Budget Allocation**

85. Whilst it is recognized that the national education and training budget, like other departmental (or provincial) budgets, is subject to a number of factors, such as economic growth and tax revenues; it is nevertheless critical for colleges to have a degree of certainty or predictability with respect to their budgets based on a medium- to long-term enrolment plan (i.e. 3 to 5-year plan). This must include the associated staff compensation budget in line with the posts allocated through the post provisioning norms.
86. The Department must provide colleges with their indicative budget allocations for the next financial year and the two outer years for planning purposes, by November each year. The final budget allocation for the next financial year must be provided to college by 31 March of each year.
87. The council of a college must approve the annual budget of the college as required by the CET Act.
88. The shifting of allocations between CLCs after the final allocation has been communicated, must be approved by council. The college must put in place a process to be undertaken for the shifting of allocations between CLCs.

### **Reporting requirements**

89. In terms of section 25 of the CET Act, the council of a public college is required to produce annual financial reports and to comply with any reasonable additional information as the Minister may require. Furthermore, the council of a public college

must implement internal and audit risk management systems which are not inferior to the standards contained in the Public Finance Management Act, Act No. 1 of 1999.

90. The submission dates of the audited annual financial statements for CET colleges are determined by the Minister (and were published in government gazette no. 41843 in August 2018).

#### **Q. MONITORING AND EVALUATION**

91. The Department is responsible for monitoring the implementation of these funding norms and standards.
92. The Department must determine monitoring and evaluation tools to verify that the funding norms and standards are being complied with when allocating and utilising funds.

#### **R. IMPLEMENTATION DATE**

93. The implementation of this policy is effective from 1 April 2020.



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