



**EQUAL EDUCATION  
SUBMISSION  
THE 2015 DIVISION OF REVENUE BILL**

**Executive Summary**

**Equal Education** (EE) is a movement of learners, parents, teachers and community members.<sup>1</sup> EE works for quality and equality in South African education, through research, analysis and evidence based activism. EE's head office is in the Western Cape, with satellite offices in Gauteng and the Eastern Cape, and a strong presence in KwaZulu-Natal and Limpopo. Since being founded in 2008, Equal Education has led campaigns aimed at the development of learning facilities; improved practice, content and access to teaching; the building of commitment and passion among teachers and learners; and improving the overall efficacy of South Africa's education system. Our focus and attention is directed by the interests of our members, drawn largely from working-class and poor communities.

EE welcomes the opportunity to comment on the 2015 Division of Revenue Bill (DoRB). We raise the following concerns:

- (1) School Infrastructure:** EE is concerned about national government's slipping commitment to funding the eradication of school infrastructure backlogs. The two national school infrastructure conditional grants are under strain. The School Infrastructure Backlogs Grant (SIBG) – also known as the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) – has been reduced, and the Education Infrastructure Grant (EIG) has been diminished. EE is also concerned that provinces are not prioritising the eradication of school infrastructure backlogs in allocations from their Equitable Share (ES) transfers.

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<sup>1</sup> Registered S10(1)(cN) and S18A(1)(a) Public Benefit Organisation (PBO) (Exemption Number 930 027 221). Registered Non-Profit Organisation (NPO) (Registration Number 068-288-NPO)

With regard to the **School Infrastructure Backlogs Grant**, our analysis shows that SIBG allocations have been reduced by over R1 billion from R13 billion to less than R 12 billion between the 2012 and 2015 MTEF periods.

With regard to the **Education Infrastructure Grant**, our analysis shows that while the EIG allocation for 2015/16 is slightly more than the previous forecast in the 2014 Budget, it is almost R500 million less than the very first estimate for the 2015/16 year which was contained in Budget 2013. While there is no solid long term trend, both actual EIG budget allocations in the two years after the publication of the Minimum Norms and Standards for School Infrastructure (2014/15 and 2015/16) are either less than the revised forecast or less than the first forecast for that year, suggesting that less money is being allocated to the provision of school infrastructure despite the additional delivery pressures created by the new Minimum Norms and Standards for Public School Infrastructure (N&S).

With regard to provinces' **Equitable Share** budgeting, our analysis raises some questions regarding provinces' budget commitments to school infrastructure, which does not appear to constitute a significant proportion of their ES. One can question whether KwaZulu-Natal, for instance, has decided to reduce ES contributions to school infrastructure because of a relatively large EIG allocation in the current MTEF period.

We are concerned that the deliverables for phase one of the N&S will not be met by the deadline of November 2016. Furthermore, EE is concerned about the lack of transparency around school infrastructure implementation. Provincial implementation plans have not been made accessible, making it impossible for citizens to monitor the process. We call for both the costing assessments for N&S to be made public and for the Minister of Basic Education to release the provinces' implementation plans.

**Performance-based grants:** The EIG allocation is currently 'performance based' – according to the 2015 DoRB, a province needs a score of 60% or more to qualify for an incentive in addition to its base allocations. Performance appears to be scored on how well provinces are able to plan. Although this is meant to encourage 'best practice', EE is concerned that the current mechanism for scoring performance, with an exclusive focus on planning, fails to also take into account (a) actual implementation – thereby failing to incentivise school infrastructure delivery; and (b) the capacity and capability of different provinces – thereby unfairly advantaging some provinces over others. Not all provinces are

on an equal footing. Hence, we call for a more nuanced approach to assessing performance. We recommend a thorough assessment of infrastructure delivery in provinces and propose a target-based model that takes provincial capacity and capability into account.

EE again calls for a more transparent planning and allocation process. Currently, apart from the EIG infrastructure lists and an ASIDI Master Lists, no other infrastructure reports listed in the DoRB – such as User Asset Management Plans (U-AMPs) and procurement plans – are publicly available. With the introduction of the incentive allocation approach to EIG, such documents will need to be made available to the public if these documents are going to influence budget allocations. The delivery of school infrastructure needs to be more inclusive and participatory – citizens must be allowed to comment on planning documents.<sup>2</sup>

**(2) Scholar Transport:** As matters stand, the demand – as currently assessed – for scholar transport exceeds the supply. The main reason stated by provinces is lack of funds. A conditional grant for scholar transport is urgent, but it is also clear that provinces need to budget more efficiently and consistently in order to respond to the scholar transport demand. According to the Department of Transport, by the end of the third quarter 2014, of the 507,318 learners in the country that qualify, 148,153 learners are not being transported (29%) by the scholar transport programme. Most provinces have spent less than 75% of their scholar transport budgets by the end of the third quarter of 2014/15. There is evidence to show planned budgets and targets are not sufficient to address the need for scholar transport and that over the MTEF thousands of learners will be deprived of equal opportunity to obtain basic education due to the long distance they have to travel to and from school.

In addition, there is currently no national policy in place for scholar transport provision. We call for an urgent finalization of a scholar transport policy framework, and the creation of a national scholar transport conditional grant. We recommend that this conditional grant takes into account the different needs of provinces – specifically in rural areas where the distances are long and the terrain is particularly challenging.

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<sup>2</sup>See Section 195 of the South African Constitution, 'Basic values and principles governing public administration', (e) People's needs must be responded to, and the public must be encouraged to participate in policy-making; (f) Public administration must be accountable; (g) Transparency must be fostered by providing the public with timely, accessible and accurate information.

## 1. Infrastructure

### Introduction

- 1.1. Access to adequate schools is highly unequal in South Africa.<sup>3</sup> In rural areas many schools are built from inadequate materials and constitute hazards. In both urban and rural areas many poorer schools have no access to basic services. EE, supported by the Legal Resources Centre, waged a three-year campaign which resulted in Minister Motshekga adopting Minimum Norms and Standards for School Infrastructure in November 2013.
- 1.2. In November 2013, the regulations relating to Minimum Uniform Norms and Standards for public school infrastructure (N&S) were published. The regulations prescribe minimum criteria in the design and construction of new schools as well as for additions, alterations and improvements to schools and sets out timeframes for their provision. The Norms and Standards state that by 29 November 2016 all schools without any access to water, electricity and sanitation must be provided with these basic services, and all schools built from inadequate materials like mud, wood, metal and asbestos (i.e. 'inappropriate schools'), must be eradicated.<sup>4</sup>
- 1.3. According to the regulations published in 2013, the obligations created by the N&S do not apply to schools that were already included in the 2013/14 budget and Medium Term Expenditure Framework (MTEF). Hence, the N&S would only apply to schools that have not yet been planned and budgeted for during the 2013/14 MTEF.
- 1.4. Our analysis shows that (1) additional allocations have not been made in the 2015/16 Budget to accommodate the N&S, and (2) the allocations that were made before the N&S came into effect have been reduced. This begs the question: How will the N&S be funded? This question is particularly urgent given the legally binding deadlines set out in the N&S.

### Background

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<sup>3</sup> According to the reported numbers in the October 2014 National Education Infrastructure Management System (NEIMS) report, of 23740 ordinary public schools, 604 schools had no water supply (3%), 1131 had no electricity (5%), 474 (2%) had no ablution facilities, 18301 (77%) were without libraries, 20463 (86%) were without laboratories, and 16146 (68%) were without computer labs.

<sup>4</sup> South African Schools Act 84 of 1996, Regulations relating to Minimum Uniform Norms and Standards for Public School Infrastructure.

- 1.5. There are two main sources of funding for school infrastructure – the School Infrastructure Backlogs Grant (SIBG) and the Education Infrastructure Grant (EIG). Provinces can also choose to contribute funds towards school infrastructure from their Equitable Share (ES) transfers.
- 1.6. The SIBG – also known as the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) – was first introduced in 2011 as a short-term grant to address backlogs in inappropriate school structures and access to basic services. The original aim of the grant was to fast-track the eradication of inappropriate school infrastructure and to provide water, sanitation and electricity to specific schools (which are mostly located in the Eastern Cape). This grant is managed by the national Department of Basic Education.
- 1.7. The EIG, on the other hand, is intended to supplement provincial ES funding specifically for the construction, maintenance, upgrading and restoration of new and existing infrastructure in education. This grant is managed and implemented by the provincial departments of education.

### **The School Infrastructure Backlogs Grant (SIBG)**

- 1.8. **Table 1** below shows the allocations for ASIDI in the 2015 Budget (in bold) as well as the forecasts for 2015/16 and 2016/17 as published in the 2013 and 2014 Budgets respectively. Under South Africa’s multi-year budgeting process, the national budget shows both the amounts budgeted for the new financial year (starting 1 April), and the projected amounts for the following two years. Therefore, in the 2015 Budget, estimates for 2015/16, as well as for 2016/17 and 2017/18 are shown. This also means that projections for the 2015/16 year were published for the first time in the 2013 Budget. These initial estimates were updated in the 2014 Budget and revised further in this year’s budget.

- 1.9. **Table 1: Total Allocations to ASIDI: 2014/15 to 2017/18**

R'000	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
2013 Budget	3,169,503	2,912,310		
2014 Budget	2,938,503	2,433,310	2,610,662	
<b>2015 Budget</b>		<b>2,046,825</b>	<b>2,374,867</b>	<b>2,619,873</b>

*Sources: National Treasury, 2011, 2012, 2013, 2014 Division of Revenue Act, 2015 Division of Revenue Bill*

- 1.10. In the 2015 Budget, R2.05 billion was allocated to SIBG for the 2015/16 year. This represents a decline from the 2014 SIBG budget allocation of R2.94 billion.

The SIBG budget allocation for 2015/16 is also lower than the allocations for this year first projected in the 2013 (R2.91 billion) and 2014 budgets (R2.43 billion).

- 1.11. **This appears to be a trend**, with the 2014 budget allocation (of R2.94 billion) also being lower than the amount previously projected in the 2013 budget (R3.17 billion). The revised allocation for 2016/17 (R2.37 billion) is also lower than the allocation first published in the 2014 Budget (R2.61 billion).
- 1.12. The reason for these reductions is under-spending by the national department, which has been a feature of ASIDI since its inception. Since the introduction of the N&S, delivery of ASIDI has been extremely slow. In **Table 2** below, which shows the ASIDI targets that were supposed to be reached by 2014/15, we see, for example, that the Department managed to replace only 18% of inappropriate schools by the target year. The best progress has been in the delivery of sanitation at 47% but that is still only half of the baseline target. Due to this slow delivery, the 2014/15 deadline for the achievement of ASIDI targets has since been extended to 2017/18.

1.13. **Table 2: ASIDI baseline targets and progress**

	<b>Baseline targets (2012/13)</b>	<b>Progress since inception (2014/15)</b>	<b>%</b>
<b>Inappropriate schools</b>	510	92	18%
<b>Water</b>	1120	342	31%
<b>Sanitation</b>	741	351	47%
<b>Electrification</b>	914	288	32%

*Source: Department of Basic Education 2015. Progress and Status of the Accelerated Schools Infrastructure Development Initiative (ASIDI) presentation to portfolio committee to Basic Education 24 February 2015*

- 1.14. In **Table 3** below, we see that in the 2012 Budget, a total amount of R13 billion was allocated over the three year period from 2012/13 to 2014/15 to fund ASIDI. This R13 billion can be considered indicative of the **total amount** government judged to be sufficient to reach the targets set by the initiative. These targets were originally set to be reached by 2014/15<sup>5</sup>.

1.15. **Table 3: Total SIGB Allocations to ASIDI: 2012 MTEF**

R'000	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
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<sup>5</sup> DoRA, 2012/13

2012 DoRA	2,315,000	5,189,000	5,500,340	<b>13,004,340</b>
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Source: 2012 DoRA, p.96

1.16. **Table 4** provides a summary of the actual spending on ASIDI from 2011/12 to 2013/14, as well as the adjusted budget for 2014/15 and the current MTEF allocations.

1.17. **Table 4: ASIDI: Actual spending and budget allocations**

R'000	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
2015 ENE	76,100	859,600	1,370,100	2,513,600	2,046,825	2,374,867	2,619,873	<b>11,860,965</b>

Sources: National Treasury, 2015 Estimates for National Expenditure, 2015 Division of Revenue Bill

Notes: 2011/12, 2012/13, 2013/14 figures are audited expenditure; 2014/15 is adjusted budget allocation; 2015/16-2017/18 are the current 2015 MTEF projections

1.18. As stated above, prior to the introduction of the N&S, R13 billion was set aside to implement ASIDI. However, **Table 4** shows that, despite the target period for ASIDI being extended, if total actual and adjusted expenditure on ASIDI is added to the projected allocations for the 2015 MTEF period, only R11.86 billion would have been spent on ASIDI by 2017/18.

1.19. As the Minister indicated in the budget speech, over the current MTEF period, reductions of R413.6 million of the ASIDI budget will be effected over the three year MTEF period “to align it more closely with the department’s capacity to spend.”<sup>6</sup> **In fact, as we indicated above, ASIDI allocations have been reduced by over R1 billion, from R13 billion to R11.86 billion. (see Table 3)**

1.20. EE is concerned that despite the extension of the ASIDI deadline (to 2017/18), the ASIDI targets will still not be reached due to the department’s lack of capacity, the history of under-spending, as well as the reduction in the overall budget allocation for ASIDI.

**Education Infrastructure Grant (EIG)**

1.21. **Table 5** below presents the aggregate allocations for the EIG in the 2015 Budget for the years 2015/16 to 2017/18 as well as the budget allocation for 2014/15. The forecasted allocations for the three years under the current MTEF period as published in the 2013 and 2014 budgets are also shown.

<sup>6</sup> 2015/16 Budget Speech

1.22. **Table 5: Total Budget Allocations to the Education Infrastructure Grant**

R '000	2014/15	2015/16	2016/17	2017/18
<b>2012 Budget</b>	6,269,861			
<b>2013 Budget</b>	7,160,699	10,059,320		
<b>2014 Budget</b>	6,928,908	9,469,408	10,037,961	
<b>2015 Budget</b>		<b>9,517,555</b>	<b>9,773,692</b>	<b>10,330,562</b>

Sources: National Treasury, 2012, 2013, 2014 Division of Revenue Act, 2015 Division of Revenue Bill

- 1.23. On first glance one sees that the EIG allocation has been increased by almost 37% – from R6.9 billion in 2014/15 to R9.5 billion in the 2015/16 Budget.
- 1.24. However, when comparing government’s commitments in previous years, a different picture emerges. **While the allocation for 2015/16 is slightly more than the previous forecast in the 2014 Budget, it is almost R500 million less than the very first estimate for the 2015/16 year which was presented in the 2013 budget.** The projected allocation for 2016/17 in the 2015 Budget is also less than the amount forecasted in the 2014 Budget.
- 1.25. In 2012/13, before the publication of the N&S, a total EIG allocation of R6.3 billion was projected for the 2014/15 year. In the next year, this allocation was revised upwards to R7.2 billion. However, in the 2014 Budget, this allocation was revised again and reduced slightly to R6.9 billion.
- 1.26. While there is no solid long term trend, both actual budget allocations in the two years after the publication of the N&S (2014/15 and 2015/16) are either less than the revised forecast or less than the first forecast for that year, suggesting less money being allocated to the provision of school infrastructure despite the additional delivery pressures created by the norms and standards.

**Equitable Share (ES)**

- 1.27. The ASIDI grant and the EIG were meant to supplement provinces’ allocations to school infrastructure from their equitable share. It is therefore essential to also consider how much provinces contribute from their ES to the funding of school infrastructure. Provinces, however, make their own decisions on how to distribute their ES and are under no obligation to allocate some of this money towards the provision of school infrastructure. Our analysis raises some questions regarding provinces’ budget commitments to school infrastructure, which does not appear



to constitute a significant proportion of their equitable shares.

***Provinces contribution of their ES to funding of education infrastructure: 2012/13 – 2014/15***

- 1.28. A comparison of the provincial infrastructure budget allocations for 2012/13, 2013/14 and 2014/15 shows no clear pattern in the portion of their ES provinces chose to allocate to the delivery of school infrastructure in those years (See Appendix A).
- 1.29. In all three years, three provinces – KwaZulu-Natal, Gauteng and the Western Cape – have each allocated more than 1% of their total ES to the funding of school infrastructure. KwaZulu-Natal allocated between 1.71% and 1.76%, Gauteng allocated between 1.18% and 1.66%, while the Western Cape allocated between 1.03% and 1.25%.
- 1.30. Other provinces generally allocated varying portions of their ES to education infrastructure funding. The Eastern Cape ES contribution varied between a low of 0.11% in 2014/15 to a relatively high contribution of 0.59% in 2013/14. Mpumalanga's contribution varied between 0.24% and 0.97%, while the North West contributed between 0.29% and 0.35%. The lowest contributions were made by the Free State, Limpopo and the Northern Cape with the shares varying between 0.03% and 0.25%. Limpopo stands out in that, despite allocating a higher portion of its ES to education than any other province (more than half of the ES in all three years), the province only allocated between 0.03% and 0.05% of its total ES to the provision of education infrastructure.

***Provinces contribution of their ES to funding of education infrastructure: 2015 – 2017***

- 1.29. At the time of writing only the budgets of the Eastern Cape, Gauteng, KwaZulu-Natal, and the Western Cape were available electronically. Therefore our discussion here focuses on these provinces' contributions from their ES to school infrastructure funding over the 2015/16 MTEF period.
- 1.30. Gauteng has increased the contribution from its equitable share to school infrastructure funding to 2.26% in 2015/16. The province also intends to contribute relatively high shares of 1.68% and 1.65% in 2016/17 and 2017/18 respectively. The Western Cape is set to keep the contribution from its ES to school infrastructure funding at around 1% in all three years.

- 1.31. In contrast, KwaZulu-Natal has decreased its ES contribution to only 0.67% in 2015/16 with further decreases projected over the next two years to 0.48% in 2016/17 and 0.26% in 2017/18 (see Appendix B)
- 1.32. The Eastern Cape has allocated only 0.22% of its ES to school infrastructure funding in 2015/16, with that contribution set to decrease to 0.05% in 2016/17. In 2017/18 the province does not intend to contribute any of its ES to school infrastructure funding.
- 1.33. All four these provinces have received relatively large EIG allocations in 2015/16 in comparison to the previous three financial years. The allocations are set to remain higher in the outer years of the current MTEF period than in 2012/13 to 2014/15 period.
- 1.34. One can question to what extent KwaZulu-Natal in particular has made a decision to reduce its ES contributions to the funding of school infrastructure as a result of being allocated relatively large EIG allocations in the current MTEF period. In addition, the allocations for the two outer years are currently base allocations and these provinces might qualify for additional incentive allocations in those financial years.
- 1.35. Without a better understanding of how provinces choose to distribute their ES to finance their functions and obligations – as well as an understanding of the pressures of funding centrally bargained public sector salaries and wages – it is difficult to comment on how much provinces could or should contribute to the funding of school infrastructure from their ES, with the funds that remain.
- 1.36. **The evidence presented above shows that provinces do not share the national government's prioritisation of the provision of education infrastructure when deciding on how much to contribute of their ES to school infrastructure.**

## **2. Performance Based Grants: The Education Infrastructure Grant (EIG) and the performance based incentive approach**

### **Introduction**

- 2.1. In the 2013 Budget Speech, it was announced that the application process for infrastructure grants is being revised to improve the quality of infrastructure spending. The Minister indicated that provinces will be required to submit

“building plans” two years before implementation and they will only receive allocations if these plans meet certain “benchmarks”.

- 2.2. This year, Minister Nene confirmed that the 2015/16 allocations reflected a new approach to funding education infrastructure to provinces.<sup>7</sup> The 2015 Budget Review explained that the new incentive based approach required provinces to undertake a two-year planning process to be eligible for incentive allocations in 2015/16.<sup>8</sup> The planning processes for the 2015/16 allocations therefore started in 2013/14.
- 2.3. The 2013 DoRA listed certain prerequisites that had to be in place before provinces would be eligible for an incentive:
  - An approved framework outlining the roles and responsibilities of the provincial departments responsible for infrastructure delivery. (Submitted by 5 July 2013 for the 2015/16 year);
  - A user asset management plan (long term infrastructure plan) (Submitted by 26 July 2013 for the 2015/16 year); and
  - Appropriate monitoring and contract management systems.
- 2.4. It is unclear to what extent the provinces were evaluated according to the detailed approval processes presented in both the 2013 and 2014 DoRA.
- 2.5. According to the 2015 DoRB, provinces received a base allocation based on meeting some prerequisites.<sup>9</sup> (No further details were provided and we cannot confirm if these are exactly the same prerequisites first mentioned in the 2013 DoRA). After a moderation process between the provincial education departments, the National Department of Basic Education and the National Treasury, provinces received a score for a long term infrastructure plans called User Asset Management Plans (U-AMPS).<sup>10</sup>
- 2.6. A U-AMP is a 10 year plan of all planned school infrastructure projects. The plans in the User Asset Management Plans for the current three year MTEF

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<sup>7</sup> 2015/16 Budget Speech, p.19; 2013/14 DoRA

<sup>8</sup> Budget Review 2015/16,p.78

<sup>9</sup> 2015/16 Budget Review, p.84

<sup>10</sup> The ASIDI and EIG processes must follow the procedures and produce the reports required in terms of the Infrastructure Delivery Management System (IDMS). The IDMS provides for preparation of rolling three-year infrastructure programme management plans (IPMPs) which correspond to the three-year medium term expenditure estimates of the budget process. However, the IDMS also has a longer time-scale, with ten-year user asset management plans (U-AMPS) which are meant to be amended on an annual basis.

period are presented in Infrastructure Project Management Plans (IPMPs). Both plans are updated annually. According to DoRB 2015, the U-AMPs prepared for the EIG should contain the following information:

- Demand and need determination;
- Education infrastructure improvement priorities and targets;
- Current performance and education infrastructure;
- Project portfolio;
- U-AMP improvement plan;
- Project lists for a period of at least 10 years;
- Maintenance plan;
- Financial summary;
- Organisation and support plan.

2.7. According to the 2015 DoRB, a province needed a score of 60% or more to qualify for an incentive in addition to its base allocation.<sup>11</sup>

2.8. **Table 6** below shows the provinces' scores for the assessments of their U-AMPs, as well as the basic allocation, the incentive allocation and the amounts they were allocated to rehabilitate infrastructure damaged by natural disasters. The Western Cape received the best score for its U-AMP score and therefore the largest incentive amount, followed by the Eastern Cape.

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<sup>11</sup> Ibid.

2.9. **Table 6: Provincial Incentive EIG 2015/16 Allocations**

R'000 000	U-AMP Assessment Score	2015/16			Final Allocation
		Basic Component	Incentive Component	Disaster Recovery Funds	
Eastern Cape	71%	1,560	94	50	1704
Free State	42%	763			763
Gauteng	63%	852	84		936
KZN	64%	1,870	85	24	1979
Limpopo	43%	736		69	805
Mpumalanga	48%	848		10	857
Northern Cape	66%	359	88	0	447
North West	69%	852	92	51	995
Western Cape	81%	920	108	5	1032
<b>TOTAL</b>		<b>8,758</b>	<b>550</b>	<b>209</b>	<b>9,518</b>

Source: National Treasury. 2015 Division of Revenue Bill (Table W1.22)

2.10. According to DoRB 2015, 2016 MTEF allocations will be in line with National Treasury performance based incentive approach guidelines. It is currently not clear whether the guidelines published in previous 2013 and 2014 DORA outlining the following two processes will be the ones used to allocate the 2016 MTEF allocations:

- The first approval process entails the submission of an asset management plan, an infrastructure programme management plan and a construction procurement strategy.
- Only departments whose submissions were approved in the first stage will be asked to submit project proposals and concept reports for the second approval process.

**The problem with the EIG performance based incentive approach**

2.11. We are concerned that the current mechanism for scoring 'performance' fails to take into account actual implementation – thereby failing to incentivise school infrastructure delivery. However, it is also the case that an exclusive focus on delivery would disadvantage poorer provinces. Hence, we call for a more nuanced approach to assessing performance.

- 2.12. This year, the Free State, Mpumalanga and Limpopo scored poorly on their User Asset Management Plans (U-AMPs) and did not qualify for the incentive. The Western Cape scored the highest and received the largest portion of the incentive allocation.
- 2.13. This allocation methodology although aimed at incentivising provinces to improve infrastructure planning, could further create inequities in school infrastructure by benefiting only the better performing, well-resourced provinces such as Western Cape and Gauteng while poorer provinces – provinces with significant needs – fail to qualify.
- 2.14. This year, fortunately, the Eastern Cape qualified for an incentive. The Eastern Cape has the highest need in terms of school infrastructure and is highly dependent on the EIG which accounts for a large share (between 77% and 98% depending on the year under consideration) of its provincial education infrastructure budget.
- 2.15. According to the 2015 DoRB, “infrastructure grant reforms to improve planning were introduced in 2013 after a decade of provincial capacity building through the Infrastructure Delivery Improvement Programme (IDIP).”<sup>12</sup> It is questionable whether provinces currently have the necessary infrastructure capacity given that the IDIP capacity building is still on-going. Between 2014/15 and 2016/17, the IDIP will focus on establishing capacity within participating departments to implement, manage and maintain infrastructure delivery.<sup>13</sup>
- 2.16. Another potential disadvantage is the definition of performance. Provinces are currently evaluated for incentive allocations based on their performance on planning and not in terms of actual delivery of school infrastructure. The impact of good plans on actual implementation is not guaranteed and in some provinces this is still to be seen. This year, the Eastern Cape qualified for the incentive based on meeting minimum standards of planning without taking into account the province’s current poor implementation track-record. The Eastern Cape EIG Infrastructure lists show that projects take at least 3 or 4 years to complete.<sup>14</sup>
- 2.17. It is one thing to produce a plan but quite another to implement it. The conditions in which EIG is being implemented are different when compared to other provinces. The slow delivery of infrastructure in the Eastern Cape is partly due to

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<sup>12</sup> 2015/15 DoRB, p.84

<sup>13</sup> National Treasury Provincial Budgets and Expenditure Review 2010/11 – 2016/17, Chapter 12

<sup>14</sup> EC 2012, 2013, 2014, 2015 EPRE, Vote 6 Annexures

the construction of a large number of school infrastructure projects in areas with difficult rural terrain which comes with its own unique and costly construction challenges.<sup>15</sup> The Eastern Cape is also struggling with insufficient infrastructure management capacity and skill, poor contractor performance among other institutional challenges such as poor audit reports, weak governance and accountability.<sup>16</sup> **Incentives targeted at improving planning alone will not be sufficient to address these service delivery challenges but rather the focus should be on creating incentives that will strengthen institutional weaknesses through capacity building and by rewarding improvements in actual delivery of school infrastructure.**

- 2.18. The design of the performance based approach seems to be one dimensional in a delivery system that consists of multiple stakeholders. Planning by the provincial departments of education is currently being evaluated, but they are not the implementers of the grant – they are the administrators. Performance based incentives need to be comprehensive and inclusive of actual implementers of the grant, there is also a need to incentivise the provincial departments of public works as well as other implementing agents and private service providers. This could be done through performance appraisals, performance based contracts, blacklisting of poor performers, additional payments to outperforming service providers.<sup>17</sup>
- 2.19. Poor planning and monitoring of infrastructure projects are significant challenges facing provincial education departments. The incentive requirements for EIG outlined in DoRA do not require that provincial education departments produce a Monitoring and Evaluation plan, and neither does it require citizen participation.<sup>18</sup>
- 2.20. Countries such as Bangladesh and Nepal use monitoring and evaluation as well as citizen participation as part of their performance based grant design. The focus of their performance based grants is not so much to punish poor performers but to instil sustainable improvements in institutional accountability, governance, management through participation.<sup>19</sup>

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<sup>15</sup> Progress and Status of ASIDI PowerPoint presentation to the Portfolio Committee on Basic Education by the Department of Basic Education 24 February 2015

<sup>16</sup> Ibid.; 'Draft Report of the Standing Committee on Appropriations on its Oversight Visit to the Eastern Cape Province from 2 to 6 February' dated 18 March 2015.

<sup>17</sup> Chapter 12 of the FFC submission on the 2014/15 budget

<sup>18</sup> 2015/16 DoRB, p.121

<sup>19</sup> Chapter 12 of the FFC submission on the 2014/15 budget

- 2.21. Citizen participation in the design and monitoring of school infrastructure can contribute towards better and accurate plans as well as monitoring infrastructure delivery on the ground. Citizen participation and transparency is advocated for in performance based literature as a case for strengthening performance, monitoring and evaluation.
- 2.22. Unfortunately in South Africa, apart from the EIG infrastructure lists and ASIDI Master Lists, no other infrastructure reports listed in the DoRB such as U-AMPs and procurement plans are publicly available. With the introduction of the incentive allocation approach to EIG, such documents will need to be made publicly available if they are going to influence budget allocations. The delivery of school infrastructure needs to be more inclusive and participatory.

### **Conclusion**

- 2.23. The performance based approach should guard against unfairly disadvantaging poorer provinces. The design of the grant needs to take into account the different capacity levels, stakeholders and conditions in which provinces operate when implementing the EIG, but still maintain a strong emphasis on actual school infrastructure delivery and implementation.

## **3. Scholar Transport**

### **Introduction**

- 3.1. The South African Constitution (Section 29) states that everyone has the right to basic education. Furthermore, the South African Schools Act of 1996 (Chapter 2, Section 3) makes school attendance compulsory for children between the ages of 7 and 15. Although school attendance in South Africa is near universal, many South African school learners are unable to fully access their right to basic education because getting to school is a daily struggle. Currently provinces are not able to meet the demand for scholar transport – mostly attributed to financial constraints – and a comprehensive policy framework, at a national level, has not yet been finalized.
- 3.2. School learners across South Africa are struggling to get to school. In rural areas – particularly in KwaZulu-Natal and the Eastern Cape – many learners are walking extremely long distances to get to their nearest school. This situation affects learners' school attendance and performance, and undermines their right to basic education. It also puts these learners in danger's way. In addition, many learners in South Africa have to make use of private transport – often unsafe,



expensive, and unreliable.

3.3. **Table 7** below shows that by the end of the third quarter 2014, of the 507,318 learners in the country that qualify, only 359,165 (71%) learners are being transported and 148,153 (29%) learners are not being transported by the provinces.

3.4. **Table 7: 2014 Scholar transport Budget and Expenditure information and target information**

Provinces	Total of learners that Qualify	Actual no. of learners transported 3rd Q	Not transported 3rd Q	% Not transported	Budget allocation	Expenditure 3rd Q	Total Cost per learner	Expenditure in %
EC	94938	57176	37762	40%	R 356 076 000.00	R 201 981 440.48	R 6 227.72	56.72%
FS	8965	8793	172	2%	R 27 589 000.00	R 48 348 559.50	R 3 137.61	175.25%
GP	81490	79420	2070	3%	R 338 349 000.00	R 108 592 323.94	R 4 260.25	32.09%
KZN	71000	22231	48769	69%	R 168 430 000.00	R 100 742 466.44	R 7 576.36	59.81%
LP	36123	18939	17184	48%	R 152 995 000.00	R 87 414 505.44	R 8 078.30	57.14%
MP	63287	63287	0	0%	R 455 000 000.00	R 297 287 023.63	R 7 189.47	65.34%
NC	27235	23420	3815	14%	R 116 097 000.00	R 9 304 483.20	R 4 957.17	8.01%
NW	71715	33334	38381	54%	R 240 444 000.00	R 135 377 416.27	R 7 213.18	56.30%
WC	52565	52565	0	0%	R 242 593 000.00	R 207 338 937.61	R 4 615.11	85.47%
<b>Total</b>	<b>507318</b>	<b>359165</b>	<b>148153</b>	<b>29%</b>	<b>R 2 097 573 000.00</b>	<b>R 1 196 387 156.51</b>	<b>R 5 840.14</b>	<b>57.04%</b>

Source: Presentation to Basic Education Portfolio Committee Meeting presented by The Department of Transport on the 3<sup>rd</sup> of March 2015, Slides 11 and 13

3.5. In KwaZulu-Natal, of the learners that require transport, 69% are not provided with transport by the province.<sup>20</sup> In North West, of the learners that require transport, 54% are not being transported. In Limpopo, of the learners that require transport, 48% are not being transported. In the Eastern Cape, of the learners that need transport, 40% are not transported "due to financial constraints". The Western Cape, Mpumalanga, Free State and Gauteng appear to currently cater to almost all of the learners that qualify for learner transport.

3.6. The Department of Basic Education and the Department of Transport are aware of the learner transport problem. In 2009 a Draft Nation Scholar Transport Policy was released, but was never finalized. In 2014, the Department of Transport produced a new Draft National Learner Transport Policy for public comment (Government Gazette No. 38207, 13 November 2014); however this policy has not been finalized to date, and is currently under scrutiny.

<sup>20</sup> Figures presented by the Department of Transport to the Portfolio Committee on Basic Education, 3 March 2015

- 3.7. Although there is no established learner transport policy in place at the moment, some provinces have establishing their own policy frameworks.<sup>21</sup> Currently, all provinces budget and plan to provide learner transport services through the provincial Department of Education or through the Department of Transport, at their own discretion.
- 3.8. Only the Eastern Cape (EC) Department of Transport has a separate sub-program for scholar transport which provides full budget estimates and expenditure outcomes for previous financial years. However, a presentation to the Department of Basic Education Portfolio Committee in March this year by the Department of Transport contains 2014 main budget allocations and cumulative third quarter expenditure information for the 2014 financial year as well as the total number of learners receiving scholar transport and the total number of learners not being transported to date. The presentation also presented the total cost per learner (i.e. the cost to transport one learner) for each province. See **Table 7** above.
- 3.9. The estimates show that although the Free State is transporting almost all the learners that qualify for scholar transport in the province, it has already overspent its scholar transport budget by 75% by the end of the third quarter. This suggests that the province under-budgeted for scholar transport in 2014. Taking the estimate of the total cost per learner into account, a budget of more than R48 million would have been needed to transport all 8,965 learners in the province that qualify.
- 3.10. One can expect that by the end of the third quarter of a financial year, approximately 75% of the main budget would have been spent. The estimates in **Table 7** show that most provinces have spent less than 75% of their scholar transport budgets by the end of the third quarter of 2014/15.
- 3.11. The Northern Cape has only spent 8% of its main budget, while an estimated 3,815 students (or 14% of all qualifying scholars) are still not being transported. Put differently, 92% of its budget remains, but 14% of eligible students are not receiving transport.
- 3.12. Gauteng also appears to be spending very slowly on providing transport to scholars, with only 32% of its budget spent by the end of the third quarter. In this province 2,070 students (or 2.5% of all eligible scholars) are still in need of

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<sup>21</sup> Gauteng Department of Education, Scholar Transport Policy accessible at [www.education.gpg.gov.za/.../Scholar%20Transport%20Policy.PDF](http://www.education.gpg.gov.za/.../Scholar%20Transport%20Policy.PDF);

transportation. This means that a very small number of students still have to be transported, while approximately 68% of the budget are still available.

- 3.13. The estimates suggest that both Gauteng and the Northern Cape have more than sufficient funds left to transport the remaining scholars in need and no explanation has been provided for why these scholars are currently not being transported. The estimates also suggest that both provinces budgeted much more than required to transport scholars and raise questions about how these provinces are planning and budgeting for scholar transport.
- 3.14. The Western Cape is currently transporting all qualifying scholars, but has already spent 85% of its total budget for 2014/15 and a danger of over-expenditure exists.
- 3.15. Most of the other provinces have spent less than 75% of their budgets by the end of the third quarter and are also not transporting close to the total number of scholars in need of transport. The presentation does not offer any explanations for both the slower than expected rates of spending and the (possibly non-budgetary) challenges provinces are facing in attempting to transport all qualifying scholars.
- 3.16. **Table 7** also shows that the total cost to transport a learner is highest in rural provinces such as Limpopo, KZN, Mpumalanga, North West and the Eastern Cape with an average cost per learner at R7000 while the total cost per learner is cheaper in urban areas at an average cost of R4000. The total cost per learner figures can provide an indication of a sufficient budget required to transport all the learners that qualify for scholar transport. In order to analyse this, the submission shall only look at the Eastern Cape and KZN as they were the only two provinces to provide budget and target estimates for the MTEF in the 2015 budget documents.

*Eastern Cape*

**3.17. Table 8: Scholar transport estimates in 2015 budget**

EC	2014/15	2014/15	2015/16	2016/17	2017/18
	Estimate	Revised	Estimate	Estimate	Estimate
Scholar Transport (DoT)	R356,000,000	R431,000,000	R 432,818,000	R 462,818,000	R 492,598,000
Target No. of Scholars	57,176	57,176	65,000	75,000	75,000
Budget estimate per student	R6,227	R7,538	R6,658	R6,172	R6,567

*Source: EC EPRE 2015, Vote 10 Department of Transport, budget estimate per student -own calculations; 2014 Estimates taken from the National Department of Transport presentation to the Portfolio committee on Basic Education, 3 March 2015.*

3.18. This financial year, scholar transport receives a budget of R432 million which is an increase of R76 million or 20% from the 2014 budget. The budget is projected to increase by 6.9% from R432 million in 2015 to R462 million in 2016 and by 6.4% to R492 million in 2017.

3.19. **Table 8** reveals the 2014 and 2015 MTEF planned (estimates for) scholar budget allocations and targets as well as the projected (revised) estimates for the 2014/15 financial year. According to the National Department of Transport presentation, the EC Department of Transport budgeted to transport 57,176 students at R356 million at an estimated cost of R6,227 per student in 2014/2015.

3.20. The 2015 Eastern Cape budget shows that the EC Department of Transport has revised this budget estimate upwards to R431 million. This means that the department is now transporting 57,176 scholars at an estimated cost of R7,538 per student.<sup>22</sup>

3.21. **This suggests that the Eastern Cape Department of Transport under estimated the total cost per learner and therefore under budgeted for scholar transport in 2014/15.** For the Eastern Cape Department of Transport to transport all 94,938 learners that qualify for learner transport (according to the National Department of Transport) in the province at a cost of R 7,538 per

<sup>22</sup> EC EPRE 2015/16, p.502

learner, the Department will need to budget at least R 715 million per financial year.

- 3.22. The estimates for the current MTEF period suggest that the Eastern Cape has possibly under-estimated the budget required to transport their targeted number of scholars, as evidenced by the relatively low budgeted cost per learner in all three years. In addition, the targets posted by the province are lower in all three years that the number of eligible scholars suggested by the national Department of Transport.

3.23. **Table 9: EC Scholar transport allocations and expenditures 2012 – 2014**

R'000	Allocation	Expenditure	% over expenditure
2012 budget	210,949	355,133	68%
2013 budget	336,898	383,593	13%
2014 budget	356,076	431,214*	21%
<b>Total</b>	<b>903,923</b>	<b>1,169,940*</b>	<b>29%</b>

Source: EC EPRE 2013, 2014 and 2015, Vote 10, Department of Transport. The 2012 and 2013 budget expenditure figures are audited. \*The 2014 budget expenditure figure is a revised estimate, unaudited figure. The total expenditure is a projected outcome.

- 3.24. **Table 9** above shows that the Department has a history of under budgeting for scholar transport. Over the 2012 MTEF, the EC Department of Transport budgeted a total of R903 million for scholar transport but it projects to spend a total of R1.16 billion. The Department is expected to over spend its scholar transport budget over the last three financial years by R266 million.

*KwaZulu-Natal*

**3.25. Table 10: Summary of Scholar Transport targets and estimates 2015 - 2017/18**

KZN	2014/15	2014/15	2015/16	2016/17	2017/18
	Estimate	Revised	Estimate	Estimate	Estimate
Scholar Transport (DoT) allocations	R168,430,000	R168,430,000	R185,976,000	R186,000,000	R195,300,000
Target No. of Scholars	21,760	22,231	21,760	21,760	21,760
Budget estimate per student	R7,740	R7,576	R8,546	R8,547	R8,975

*Sources: Scholar transport estimates extracted from Table 12.5 'Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF', KZN 2015/16 Estimates of Provincial Revenue and Expenditure, Vote 12 Department of Transport p.507;531; National Department of Transport presentation to Basic Education Portfolio committee presented on 3 March 2015*

3.26. According to 2014 provincial budget documents – see **Table 10** above – the KZN Department of transport planned to transport 21,760 students for R168 million at an estimated cost of R7,740.<sup>23</sup> The latest third quarter expenditure figures from National Department of Transport show that the KZN Department of transport ended up transporting 22,231 scholars with a budget of R168 million at an estimated cost of R 7,576 per student.

3.27. Using the third quarter budget cost per learner of R7, 576 we see that in order for the KZN Department of transport to transport all 71,000 learners that qualify for learner transport the Department would require a budget of R537 million for one financial year. The total learner transport allocations in the 2015/16 budget has increased by 10.4% from R168 million in 2014 to R185 million.

3.28. The Department projects to grow its budget by 5.0% over the MTEF from R185 million in 2015 to R195 million in 2017.<sup>24</sup> Although the 2015 MTEF budget is not sufficient to transport all the learners that qualify in the province, the 2015 total cost per learner calculations are much higher compared to 2014 and the Department could possibly afford to transport more students than currently targeted

<sup>23</sup> KZN 2014/15 EPRE, Department of Transport, Vote 12

<sup>24</sup> KZN 2014/15 EPRE, p.534

## Budget constraints and learner estimates

3.29. Provincial departments are struggling to meet scholar transport demand and based on the EC and KZN scholar transport budget estimates, the provinces will continue to under budget for scholar transport over the MTEF. Moreover due to the lack of budget information on scholar transport in other provinces we are not able to tell at all whether aggregate budget estimates and targets for scholar transport will be expected to grow or decline over the MTEF.

3.30. A contributing factor to the scholar transport budget constraints is that the extent of the learner transport problem is not sufficiently understood hence costing needs for learner transport are likely to be underestimated.

3.31. **Table 11: Scholar transport targets as provided in main budget allocations**<sup>25</sup>

Financial year	2015/16	2016/17	2017/18	Total no of learners that qualify for learner transport 2014/15
Province	Estimate	Estimate	Estimate	-
Eastern Cape	65,000	75,000	75,000	94,938
Gauteng	66,000	66,000	66,000	81,940
KZN	21,760	21,760	21,760	71,000

*Source: EC, Gauteng, KZN 2014 and 2015 Provincial Estimates of Revenue and Expenditure; National Department of Transport presentation to portfolio committee on basic education presented 3 March 2015*

3.32. What is concerning from the projected targets of the provinces presented in **Table 11** is that their future targets are nowhere near the total number of learners that qualify for learner transport in their various provinces. Progress on the provision of scholar transport over the MTEF is likely to be slow and poor. Moreover the demand for scholar transport is expected to increase due to the Departments of Education rationalization as a strategy to meet the norms and standards deadline for public school infrastructure. The scholar transport budget and policy will need to take into consideration the slow delivery of school

<sup>25</sup> EC, Gauteng, KZN 2014 and 2015 Provincial Estimates of Revenue and Expenditure

infrastructure as well as the closure and merging of schools.<sup>26</sup>

- 3.33. Furthermore neither the National Department of Transport nor the provincial Departments of Education and Transport discuss the current mode of transportation being used nor do consider to plans to introduce cost effective alternative modes of transportation such as bicycles to address the shortfall in learner transport need over the MTEF.
- 3.34. **There is evidence to show planned budgets and targets are not sufficient to address the need for scholar transport and that over the MTEF thousands of learners will be deprived of equal opportunity to obtain basic education due to the long distance they have to travel to and from school.** Every learner has a right to access education and the state is obliged to ensure that this right is realized. There is a clear need to address the growing demand for scholar transport as well as the budget constraints facing provincial departments. Funding for scholar transport from provincial treasuries is not coping – an urgent solution is required.
- 3.35. In 2015, National Treasury raised the possibility of creating a conditional grant for scholar transport in its Budget Review. It is stated that:

“The National Treasury, in consultation with the Department of Basic Education and with the assistance of the Financial and Fiscal Commission, should consider the formulation and development of a conditional grant for the provision of scholar transport.” (pp. 112)

### **Scholar transport grant design**

- 3.36. The first feature of the design is to make the grant conditional, to be used specifically for scholar transport. A conditional grant could help protect or “ring fence” the scholar transport budget to be used strictly and solely for the purposes of scholar transport.
- 3.37. The second feature of the design could be that the grant allocation formula takes into account the rural terrain of a province, the number of children who qualify for scholar transport and the distances within the province that these children are expected to travel to the nearest public school to ensure fair and equitable distribution of resources across the provinces mostly based on need.

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<sup>26</sup> Written response by the Minister of Basic Education to MP and member of Basic Education Portfolio Committee Mr JH Steenheuisen (DA), published 21/2/2015;



- 3.38. The third feature design could be that the formula based transfers be based on detailed calculations (cost analysis) of the overall provincial scholar transport costs and expenditure needs covering specific considerations such as the different modes of transportation to be used as well as route accessibility and design based on the quality and availability of road infrastructure.
- 3.39. The fourth feature could be that the grant funds different interventions most appropriate to the varying scenarios across the provinces. The various types of expenditure would ensure effective use of resources in line with suitable provincial strategies and plans for scholar transport and allow for multiple solutions to gaps in the provision scholar transport. Types of expenditure to be funded by the grant can include:
- Standardised remuneration model for paying contractors and bus drivers operating in rural and urban areas;
  - Capital expenditure on moveable assets such as bicycles, vehicles as well expenditure on the maintenance of such assets.
- 3.40. The fifth feature could be that the grant is linked to key outputs or performance indicators. Conditional grants have stronger lines of reporting and accountability thereby improving the current weak state of transparency regarding provincial scholar transport budget estimates, expenditures and target information. By introducing a grant, more scholar transport information can be shown and reported against in order to hold all provincial departments to account for increasing access to education
- 3.41. In 2014 the South African Human Rights Commission (SAHRC) in 2014, found that the Eastern Cape Departments of Education and Transport was inadequately providing scholar transport and thereby infringing on the constitutional right to access education. The Commission recommended that the Department submit monthly reports to the Commission with more information on scholar transport regarding:
- The location of affected learners per district;
  - Number of learners requiring transportation per school;
  - Number of learners that have been provided with transportation and the extent to which the number fluctuates during the reporting period;
  - Time bound plans, including immediate and temporary plans to address the transportation challenges of the affected children.

3.42. In addition some key performance indicators could include:

- Number of schools that qualify for learner transport;
- The provincial budget allocated for scholar transport further broken down by district;
- Total number of learners that qualify for learner transport;
- Qualifying learners as percentage of all learners in a province and/or district;
- Actual number of learners transported to date;
- Actual number of learners not transported to date;
- Cost per learner.

3.43. Such information should be made publicly available and incorporated in all provincial departmental planning and budgeting documentation as well as reported upon to oversight bodies during the year.

#### **4. Concluding Remarks**

EE has raised concern regarding shrinking projections for school infrastructure funding and a low commitment for provinces to contribute towards this national priority. EE call for greater transparency. We call for both the costing assessments for N&S, provincial implementation plans and reports to be made public, and for the Minister of Basic Education to release the provinces' N&S implementation plans.

EE has raised concern over the performance based incentive approach to awarding additional EIG funds. We call for a more nuanced approach to assessing performance. We recommend a thorough assessment of infrastructure delivery in provinces and propose a target-based model that takes provincial capacity and capability into account. The delivery of school infrastructure needs to be more inclusive and participatory – citizens must be allowed to comment on planning documents, and this means that citizens should be able to access infrastructure reports such as User Asset Management Plans (U-AMPs) and procurement plans.

EE call for an urgent finalization of a scholar transport policy framework, and the creation of a national Scholar Transport conditional grant. We have raised concerns over provincial spending on scholar transport as well as the shortfall between scholar transport demand and supply. We recommend that a Scholar Transport conditional grant takes into account the different needs of provinces – specifically in rural areas, where distances are long and the terrain is a particular challenge.

#### **Appendixes**

**5. Appendix A: The contribution of equitable share funding to provincial education infrastructure funding: 2012/13 to 2014/15**

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>Main</b>	<b>Main</b>	<b>Main</b>
<b>Eastern Cape</b>			
Education ES as share of total ES	47.56%	49.11%	48.62%
ES as share of total Education Infrastructure	12.14%	22.73%	4.78%
Education Infrastructure ES as share of total ES	0.26%	0.59%	0.11%
<b>Free State</b>			
Education ES as share of total ES	49.16%	46.44%	47.50%
ES as share of total Education Infrastructure	2.75%	8.61%	3.33%
Education Infrastructure ES as share of total ES	0.07%	0.22%	0.09%
<b>Gauteng</b>			
Education ES as share of total ES	45.65%	44.60%	44.62%
ES as share of total Education Infrastructure	58.75%	57.28%	63.03%
Education Infrastructure ES as share of total ES	1.34%	1.18%	1.55%
<b>KwaZulu Natal</b>			
Education ES as share of total ES	46.34%	46.11%	46.47%
ES as share of total Education Infrastructure	48.11%	49.88%	49.10%
Education Infrastructure ES as share of total ES	1.71%	1.76%	1.71%
<b>Limpopo</b>			
Education ES as share of total ES	50.72%	50.87%	50.99%
ES as share of total Education Infrastructure	1.85%	1.40%	1.31%
Education Infrastructure ES as share of total ES	0.05%	0.03%	0.03%
<b>Mpumalanga</b>			
Education ES as share of total ES	49.30%	48.86%	48.74%
ES as share of total Education Infrastructure	20.26%	10.78%	31.26%
Education Infrastructure ES as share	0.55%	0.24%	0.97%

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of total ES			
<b>Northern Cape</b>			
Education ES as share of total ES	44.52%	43.66%	43.43%
ES as share of total Education Infrastructure	5.42%	6.72%	2.38%
Education Infrastructure ES as share of total ES	0.21%	0.25%	0.09%
<b>North West</b>			
Education ES as share of total ES	47.15%	45.28%	45.65%
ES as share of total Education Infrastructure	10.58%	13.30%	12.23%
Education Infrastructure ES as share of total ES	0.29%	0.35%	0.35%
<b>Western Cape</b>			
Education ES as share of total ES	44.64%	43.32%	42.33%
ES as share of total Education Infrastructure	45.46%	25.74%	43.34%
Education Infrastructure ES as share of total ES	1.25%	1.03%	1.04%

Source: National Treasury. 2014 Provincial Budget Documents

(<http://www.treasury.gov.za/documents/provincial%20budget/2014/default.aspx>); 2013 Provincial Budget Documents

(<http://www.treasury.gov.za/documents/provincial%20budget/2013/default.aspx>; 2014 Budget Review

(<http://www.treasury.gov.za/documents/national%20budget/2014/review/default.aspx>)

- Notes:
1. Provincial education departments have a dedicated Infrastructure Development Programme. The total budget of this programme generally includes as very small allocation to non-capital spending such as cost of employees and in a few provinces the payments shown for new and existing infrastructure do not include this allocation. In order to keep all calculations consistent as well as to present all costs associated with the provision of infrastructure (including the provision of new assets, the upgrading and rehabilitation of existing assets, maintenance of existing assets and cost of employees) the total budget for the Infrastructure Development Programme has been utilised for the estimates presented here.
  2. With the exception of Gauteng, provinces do not explicitly indicate the contribution from their equitable share to school infrastructure funding. To estimate the equitable share contribution to education infrastructure funding, the value of a province's EIG was deducted from the total budget for the Infrastructure Development Programme.
  3. The Gauteng Provincial Treasury tables a separate Estimates of Capital Expenditure. The total capital spending by the Gauteng provincial department of Education is slightly different from the department's budget for the Infrastructure Development Programme. To keep all calculations consistent the same process described in point 2 above was followed to calculate the equitable share contribution to school infrastructure funding.

**6. Appendix B: The contribution of equitable share funding to provincial education infrastructure funding: 2012/13 to 2017/18**

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Main	Main	Main	MTEF		
<b>Eastern Cape</b>						
Education ES as share of total ES	47.56%	49.11%	48.62%	48.90%	48.29%	48.25%
ES as share of total Education Infrastructure	12.14%	22.73%	4.78%	6.58%	1.92%	0.00%
Education Infrastructure ES as share of total ES	0.26%	0.59%	0.11%	0.22%	0.05%	0.00%
<b>Gauteng</b>						
Education ES as share of total ES	45.65%	44.60%	44.62%	46.69%	45.69%	44.90%
ES as share of total Education Infrastructure	58.75%	57.28%	63.03%	63.96%	50.81%	49.19%
Education Infrastructure ES as share of total ES	1.34%	1.18%	1.55%	2.26%	1.68%	1.65%
<b>KwaZulu Natal</b>						
Education ES as share of total ES	46.34%	46.11%	46.47%	47.11%	47.05%	47.02%
ES as share of total Education Infrastructure	48.11%	49.88%	49.10%	21.77%	18.48%	10.75%
Education Infrastructure ES as share of total ES	1.71%	1.76%	1.71%	0.67%	0.48%	0.26%
<b>Western Cape</b>						
Education ES as share of total ES	44.64%	43.32%	42.33%	42.59%	42.17%	41.95%
ES as share of total Education Infrastructure	45.46%	25.74%	43.34%	27.68%.82 %	31.80%	33.2%
Education Infrastructure ES as share of total ES	1.25%	1.03%	1.04%	1.03%	1.01%	0.99%

Source: National Treasury. 2014 Provincial Budget Documents (<http://www.treasury.gov.za/documents/provincial%20budget/2014/default.aspx>); 2015 Provincial Budget Documents (<http://www.treasury.gov.za/documents/provincial%20budget/2013/default.aspx>); Eastern Cape Provincial Treasury, 2015. Estimates of Provincial Revenue and Expenditure (<http://www.ectreasury.gov.za/Files.aspx>); Gauteng Treasury. 2015. Estimates of Provincial Revenue and Expenditure and Estimates of Capital Expenditure (<http://www.treasury.gpg.gov.za/Pages/Home.aspx>); KwaZulu Natal Provincial Treasury. 2015. Estimates of Provincial Revenue and Expenditure (<http://www.kzntreasury.gov.za/BusinessUnits/ResourceManagement/PublicFinance/EstimateofProvinciaRevenueandExp.aspx>); Western Cape Provincial Treasury. 2015. Estimates of Provincial Revenue and Expenditure (<https://www.westerncape.gov.za/dept/treasury/documents/budgets/2015>)