



**SUBMISSION TO THE EASTERN CAPE PORTFOLIO COMMITTEE ON FINANCE
ON THE 2015 EASTERN CAPE PROVINCIAL ESTIMATES OF EXPENDITURE AND REVENUE**

Executive Summary

Equal Education (EE) is a movement of learners, parents, teachers and community members. 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 Eastern Cape Education Budget Vote. This submission wishes to raise the following concerns:

(1) School Infrastructure: Our analysis will show that while the 2015 provincial infrastructure budget increases, it has not deviated much from what was already projected for the MTEF prior to the introduction of the Minimum Norms and Standards for Public School Infrastructure (N&S) in 2013.

(a) The 2015 equitable share contribution towards school infrastructure has increased from last year. However, it is still negligible when compared to previous and other provincial equitable share contributions and it is projected to decline to well below 2014 levels in the outer years of the MTEF. Furthermore the EIG is projected to decline over the MTEF from R1.5 billion to R1.4 billion in 2017.

(b) The EIG contribution to the education infrastructure budget has increased, but not sufficiently to deal with outstanding school backlogs. Based on preliminary findings of around 30 school visits, meetings with representatives from more than 100 schools, and phone calls to more than an additional 100 schools in the Eastern Cape by Equal Education, it appears that not all schools with serious infrastructure challenges have yet been planned and budgeted for on either the EIG or ASIDI lists over the MTEF. Furthermore, those that do

appear on the lists have been planned for completion post the 2016 Norms and Standards deadline.

(c) The new EIG allocation methodology requires provinces to score highly on User Asset Management Plans in order to qualify for additional incentive allocations. Given that the province is almost fully reliant on the EIG for the delivery of school infrastructure – EE 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 the planning documents.

(d) Our analysis also shows that School Infrastructure Backlogs Grant (SIGB) 2015/16 and 16/17 allocations have declined in comparison to the projections from previous years. The SIBG is projected to increase massively in 2017/18, but the province has already lost R2 billion due to revisions in previously projected SIGB allocations since the introduction of ASIDI in 2012.

(e) EE's school visits and infrastructure surveys have highlighted inaccuracies and inadequacies of publicly available infrastructure lists particularly the EIG list. The Norms and Standards require each education MEC to have provided the Minister of Basic Education with plans setting out the infrastructure backlogs in the Provinces by 29 November 2014. EE has consistently called for the release of these plans. To date, despite numerous letters and national protests, no date has been set for the release of these plans. We believe that the release of the provincial Norms and Standards plans will provide us with more accurate and comprehensive information which will allow us to judge and comment on the adequacy of both the EIG and SIGB education infrastructure allocations to meet the norms and standards set for public school infrastructure.

2) Scholar transport: Our analysis of the scholar transport budget shows a history of over expenditure, fluctuating budget estimates and targets which reveal insufficient budget allocations for scholar transport for this financial year and over the MTEF. As a result of provincial plans for the rationalization of schools, there will likely be an increase in the need for scholar transport. Introducing a scholar transport conditional grant, as proposed by Parliament, will go a long way towards ensuring accurate budget and planning around scholar transport as well as improve transparency and equity regarding how scholar transport funds are distributed within the province. Unlike other provinces, there is currently no provincial policy in place to guide the provision of scholar transport in the province.

A. School Infrastructure

Introduction:

Access to adequate schools is highly unequal in South Africa. 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 legally binding Regulations Relating to Minimum Uniform Norms and Standards for Public School Infrastructure in November 2013. 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 within which all schools must be provided with certain infrastructure.ⁱ The Norms and Standards (N&S) 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 entirely from inadequate materials like mud, wood, metal and asbestos (i.e. 'inappropriate schools'), must be eradicated.

It should be noted that the Minister has indicated to EE that this would include schools which are substantially made from inappropriate structures. In the Eastern Cape, Equal Education has visited and engaged with many schools that are constructed mostly, but not entirely from inappropriate structures. Teaching and learning is made incredibly difficult in these schools, and learner safety and health is often an issue. It would be impractical, and constitutionally questionable, to exclude these schools from the first 3 year time frame for upgrading. 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).ⁱⁱ However, where practical, these schools must be built in accordance with the standards set out in the regulations. Hence, the time frames set out in the N&S would only apply to schools that have not yet been planned and budgeted for during the 2013/14 MTEF.

We are already half way through the time frame for the implementation of the first phase of upgrades required by the Norms and Standards for School Infrastructure. Unfortunately, numerous visits to schools around the Province, and widespread engagement with parents, teachers and learners by Equal Education, has shown little indication that any substantial progress is being made. The provincial implementation plans which were due to be provided by the MEC to the Minister by 29 November last year, have still not been made public. The Minister has indicated in a response to a request under the Promotion of Access to Information Act made by Equal Education, that the plans are not yet finalised.

Numerous principals have told us that there is no actual “school” at the location where teaching and learning is intended to take place. From our visits it appears this is often the case. Learners waste hours of class time fetching water for schools without access, or fetching gas canister for cooking in schools where there is no electricity. Primary school learners sit under trees because there classrooms are either too hot or too cold inside zinc structures, and learners and teachers alike are in hundreds of cases without access to toilets, and thousands are forced to relieve themselves in dangerous and unsanitary conditions.

Background

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. It is important to note that the EIG 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. All education infrastructure projects funded by either the EIG or ES for a current Medium Term Expenditure Framework (MTEF) are listed in appendix attached to the provincial education budget vote.

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. A list of the projects funded by the SIBG can be found in a document titled “ASIDI Masterlist” on the website of the Department of Basic Education.

According to the reported numbers in the October 2014 National Education Infrastructure Management System (NEIMS) report, which is commissioned by the national Department of Basic Education a significant number of public ordinary schools (both primary and secondary) in the Eastern Cape currently do not meet the minimum uniform norms and standards for public school infrastructure outlined in the Schools Regulations Act. In particular, there are hundreds of schools which need to be upgraded to meet the first implementation time frame i.e. to be given access to water, electricity and sanitation by no later than 29 November 2016.

Table 1: Total number of public ordinary schools that do not meet NS criteria

Province	Without elec	Without water supply	Without sanitation facilities	Use Pit latrines only	Without library facilities	Without science labs	Without computer labs	With inappropriate structures
Eastern Cape	377	339	366	3204	5011	5158	4879	234

SA Total	1131	604	474	7438	18301	20463	16146	510
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Sources: DBE NEIMS Standard Report October 2014 accessible at www.education.gov.za; 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

In the tabling of the 2015/16 budget, Finance Minister Nhlanhla Nene stated the following:

*"The school infrastructure backlogs programme is allocated R7.4 billion for the replacement of over 500 unsafe or poorly constructed schools, as well as to address water, sanitation and electricity needs. The education infrastructure grant of R29.6 billion over the medium term will enable **all schools** to meet the minimum norms and standards for school infrastructure by 2016."*

As the latest NEIMS report demonstrates, the most pressing need for compliance with the 2016 deadline is the Eastern Cape. Worrying, our analysis will show that no significant additional allocations have been made in the 2015/16 provincial education infrastructure budget (which consists of the EIG and the Equitable Share) to accommodate the N&S, and the allocations that were made towards ASIDI before the N&S came into effect, have been reduced. This begs the question: Bearing in mind the government's legal duties under the new regulations, and the commitment made to those by the Finance Minister, how will the N&S be funded in a province with the most significant school infrastructure challenges? Again, this question is particularly important given the urgency of the legally binding deadlines set out in the N&S, most pressingly the 29 November 2016 deadline.

The Education Infrastructure Grant (EIG)

Table 2 below presents the allocations to the Eastern Cape for the EIG in the 2013, 2014 Division of Revenue Act (DoRA) and the 2015 Division of Revenue Bill (DoRB). The forecasted allocations for the MTEF are also shown.

Table 2: Total EC Education Infrastructure Grant Allocations

R'000	2014/15	2015/16	2016/17	2017/18
2013 DoRA	1,217,318	1,710,084		
2014 DoRA	1,177,914	1,609,799		
2015 DoRB		1,703,877	1,532,003	1,400,000

Source: Division of Revenue Act (DoRA) 2013 and 2014; Division of Revenue Bill (DoRB), 2015

On first glance one sees that the EIG allocation has increased by 44.7% – from R1.18 billion in 2014/15 to R1.70 billion in the 2015/16 Budget. However, when comparing government's commitments in previous years, a different picture emerges. In the 2013 DoRA, before the adoption of the N&S, a total EIG allocation of R1.22 billion was projected for the 2014/15 year and a total EIG allocation of R1.71 billion was projected for the 2015/16 year. In the next year, the allocation for 2014/15 was revised downwards to R1.18 billion and the 2015/16 allocation was also revised

downwards, to R1.61 billion. While the 2015 DoRB's allocation for 2015/16 is slightly more than the amount forecasted in 2014, it is less than the very first estimate for 2015/16 presented in the 2013 DoRA.

While there is no 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 and urgent legal obligations which the N&S have created for school infrastructure upgrades.

This again raises the question of whether the provincial education department will be able to build, maintain or repair schools in line with the requirements of the norms and standards if the initial allocations for the period under which the norms and standards targets have to be met have not increased since the introduction of the regulations and have been reduced in the 2015 budget and over the MTEF.

In the 2015/16 Budget Speech, Minister Nene stated that the EIG will be the vehicle by which the 2016 norms and standards deadline will be reached and that the EIG allocations over the medium term will enable all schools to meet the minimum norms and standards.ⁱⁱⁱ One can expect that schools that do not meet the minimum norms and standards should be planned and budgeted for by the provincial department of education and therefore included in the project infrastructure list as an appendix attached to the education budget vote.

Preliminary research by EE based on school visits in the Eastern Cape and information provided by the provincial department of education, revealed that a significant number of schools do not meet the bare minimum norms and standards for school infrastructure, but these schools do not appear on any of the provincial and national infrastructure lists for this financial year or the MTEF (See Appendix A). Appendix A shows that some of the schools that do appear on either one of the infrastructure lists in have project completion dates after the November 2016 norms and standards deadline

The provincial lists for projects funded by the EIG and ES currently do not provide sufficient information on school infrastructure plans and budget allocations. The provincial education infrastructure list attached as an appendix to the Education budget vote is the only publicly available information on provincial school infrastructure plans. The list shows how these provincial infrastructure targets will be implemented. Sadly the provincial education infrastructure list is neither clear nor helpful for monitoring and oversight of school infrastructure targets. The list currently does not provide sufficient information on school infrastructure plans and MTEF budget estimates. The following information is not for example not provided for each in this year's list:

- Type of infrastructure as a description of planned infrastructure (ablution, classroom, electricity, water, sanitation etc) ...)
- Number of planned infrastructure being delivered
- Education District
- The current status of the project

- Expenditure on project to date

Without this information, it is not possible to judge the accuracy and adequacy of current budget allocations to meet minimum norms and standards. Such information is provided in other provincial EIG lists such as Western Cape, KZN and Gauteng, to mention a few. Furthermore, all provincial departments, including the Eastern Cape, produce, but do not publish, far more detailed planning reports such as the 10 year User Asset Management Plans (U-AMPs). These documents provide more details on planned infrastructure projects such as, status of project, expenditure history, implementing agents, contractors, type of units, number of units, project construction/maintenance period. Given that U-AMPs are the basis on which provincial EIG incentive allocations are awarded, these documents should be made publicly available to encourage transparency and participation in the budgeting and planning processes as envisioned in Section 195 of the Constitution.

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

Introduction

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”. This year, Minister Nene confirmed that the 2015/16 allocations reflected a new approach to funding education infrastructure to provinces. 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.^{iv}

Among the criteria listed in order for provinces to qualify for the incentive allocations is that provinces needed to produce quality user asset management plans (U-AMPs).^v

A U-AMP is a 10 year plan of all planned school infrastructure projects and according to DoRB 2015, the U-AMPs prepared for the EIG should contain the following information:

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

In terms of the 2015 DoRB, a province needed a score of 60% or more to qualify for an incentive in addition to its base allocation. Table 3 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 highest U-AMP score and therefore the largest incentive amount, followed by the Eastern Cape.

Table 3: 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	1,704
Free State	42%	763			763
Gauteng	63%	852	84		936
KZN	64%	1,870	85	24	1,979
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	1,032
TOTAL		8,758	550	209	9,518

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

Concerns with the EIG performance based incentive approach

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. 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. It is therefore vital that the Eastern Cape continues to score highly on its U-AMPs in order to qualify for an incentive allocation. This will in turn boost the provincial base EIG allocation to meet high demand of infrastructure backlogs. Currently U-AMPs are not published and made available to the public. It is essential for these planning documents to be transparent in order for oversight institutions and citizens to play an active role in monitoring and holding provinces to account to ensure that Eastern Cape Department of Education is producing quality user asset management plans (U-AMPs). Furthermore, given that U-AMPs are the basis on which provincial EIG incentive allocations are awarded, these documents should be made publicly available to encourage transparency and participation in the budgeting and planning processes as envisioned in Section 195 of the Constitution.

We are also concerned that the current mechanism for scoring 'performance' fails to take into account actual implementation – thereby failing to incentivise the actual delivery of school infrastructure. 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 this province 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.

It is one thing to produce a plan but quite another to implement it. The conditions in which EIG is being implemented in the Eastern Cape are different when compared to other provinces. The slow delivery of infrastructure in the Eastern Cape is partly due to 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. The Eastern Cape is also struggling with insufficient infrastructure management capacity and skill, poor contractor performance and other institutional challenges (including poor audit reports, weak governance and accountability). 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.

Equitable Share (ES)

The ASIDI grant and the EIG were created with the intention of supplementing, rather than replacing, provinces' allocations to school infrastructure. The bulk of these allocations should come from a Province's equitable share. It is therefore essential to also consider how much provinces are contributing from their ES to the funding of school infrastructure. Provinces make their own decisions on how to distribute their ES and are under no obligation to allocate ES funding towards the provision of school infrastructure. Our analysis raises some questions regarding the Eastern Cape's budget commitments to school infrastructure as the province does not appear to contribute a significant portion of its equitable share to the funding of school infrastructure.

Table 4 below shows the provincial infrastructure budget which consists of the EIG and the ES.

Table 4: Funding for Eastern Cape Education Infrastructure: 2013/14 – 2017/18

Main budget allocations				MTEF Estimates	
R'000	2013/14	2014/15	2015/16	2016/17	2017/18
EIG	1,010,870	1,177,914	1,703,877	1,532,003	1,400,000
Equitable Share	297,362	59,178	120,000	30,000	-
Total	1,308, 232	1,237,092	1,823,877	1,562,003	1,400,000

Source: Eastern Cape Estimates of Provincial Revenue & Expenditure (EPRE) 2014,2015; 2015 Division of Revenue Bill (DoRB)

Although the equitable share contribution to the education infrastructure budget has increased from R59 million last year to R120 million this year, the share of this contribution in the total provincial education infrastructure budget only increased from 4.8 % to 6.6 %. In comparison, in 2013/14 – prior to the adoption of the norms and standards for school infrastructure – the contribution from the equitable share accounted for 22.8 % of the school infrastructure budget.

In some other provinces, funding from the equitable share accounts for a much larger portion of the total school infrastructure budget. In 2015/16, 64 % of the Gauteng province’s education infrastructure budget is funded by a contribution from its equitable share. In KwaZulu Natal, 22 % of the provincial school infrastructure budget is funded from its equitable share. In contrast, only 6.6 percent of the Eastern Cape’s 2015/16 school infrastructure budget is funded from the equitable share.

Despite the significant legal obligations which the norms and standards for school infrastructure have created for the Province, the Eastern Cape has allocated only 0.22% of its total equitable share to school infrastructure funding in 2015/16, with that contribution set to decrease to 0.05% in 2016/17 (See Appendix B). In 2017/18 the province does not intend to contribute any of its equitable share to school infrastructure funding. Between 2015/16 and 2016/17, the province’s total equitable share is set to increase from R54 .31 billion to R57.37 billion, with a further increase to R60.07 billion projected in 2017/18.^{vi} It is clear though, that the province does not intend to allocate a larger portion of its increasing equitable share to fund the delivery of school infrastructure.

Without a better understanding of how the province chooses to distribute its ES to finance its functions and obligations – and without access to detailed infrastructure plans such as the provincial Norms and Standards plans – it is difficult to comment on how much the province could or should contribute to the funding of school infrastructure from their ES.

ASIDI Allocations for the Eastern Cape Province

Provincial education infrastructure efforts are supplemented by direct spending at the provincial level by the national Department of Budget Education through the School Infrastructure Backlogs Grant (SIBG).

The SIBG was first introduced in 2011 as a short-term grant to address backlogs in inappropriate school structures and access to basic services through a national programme called the Accelerated Schools Infrastructure Delivery Initiative (ASIDI). 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.

Table 5 shows that the 2015/16 SIBG budget allocation is significantly lower than the allocations first projected in the 2013 and 2014 budgets.

Table 5: Projected Eastern Cape SIBG Allocations: 2014/15 to 2017/18

R'000	2014/15	2015/16	2016/17	2017/18
2013 Budget	2,025,542	2,772,301		

2014 Budget	1,598,271	1,323,489	1,419,952	
2015 Budget		1,084,091	1,830,751	2,619,873

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

This appears to be a trend, with the 2014 budget allocation also being lower than the amount previously projected in the 2013 budget. Prior to the introduction of norms and standards, the 2013 budget planned to allocate a total of R4.8 billion in SIBG over the 2014 and 2015 financial years. However, the Eastern Cape ended up receiving a total of R2.7 billion over the 2014 and 2015 period. This is a loss of more than R2 billion in SIBG allocations to the province. The revised SIBG allocation for 2016/17 is however higher than the allocation first published in the 2014 Budget. The projected allocation of R2.6 billion for 2017/18 is also a reflection of the remaining large infrastructure backlog in the province. Furthermore, given the slow spending and delivery in previous financial years, it is not guaranteed that the Eastern Cape will be allocated the projected R4.5 billion in the two outer years of the MTEF. It is possible that as was done previously, these allocations will be revised downwards. 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, the delivery of ASIDI in the province has been extremely slow. Due to this slow delivery, the 2014/15 deadline for the achievement of ASIDI targets has since been extended to 2017/18. EE is concerned that despite the extension of the ASIDI deadline (to 2017/18), the norms and standards 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.

B. Scholar transport

Introduction

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.

School learners across the province are struggling to get to school. In rural areas 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 (See Annexure C).

Table 6 below shows third quarter 2014/15 scholar transport budget and target estimates for scholar transport provided by the National Department of Transport.

Table 6: 2014 Scholar transport budget, expenditure and target information

Provinces	Budget allocation	Total no of learners that qualify	Actual no of learners transported as Q3	Total cost per learner	Total No of learners NOT transported 3Q	Expenditure 3rd Q	Expenditure in %
EC	R 356 076 000	94,938	57,176	R 6 227.72	37,762	R 201 981 440.48	56.72%
FS	R 27 589 000.00	8,965	8,793	R 3 137.61	172	R 48 348 559.50	175.25%
GP	R 338 349 000.00	81,490	79,420	R 4 260.25	2,070	R 108 592 323.94	32.09%
KZN	R 168 430 000.00	71,000	22,231	R 7 576.36	48,769	R 100 742 466.44	59.81%
LP	R 152 995 000	36,123	18,939	R 8 078.30	17,184	R 87 414 505.44	57.14%
MP	R 455 000 000.00	63,287	63,287	R 7 189.47	0	R 297 287 023.63	65.34%
NC	R 116 097 000.00	27,235	23,420	R 4 957.17	3,815	R 9 304 483.20	8.01%
NW	R 240 444 000	71,715	33,334	R 7 213.18	38,381	R 135 377 416.27	56.30%
WC	R 242 593 000	52,565	52,565	R 4 615.11	0	R 207 338 937.61	85.47%
Total	R 2 097 573 000.00	507,318	359,165	R 5 840.14	148,153	R 1 196 387 156.51	57.04%

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

In the Eastern Cape, of the 94 938 learners that need transport, 40% are not transported "due to financial constraints".^{vii} It is however puzzling that by the end of the 3rd quarter when expenditure is expected to be at 75% of the total budget, the national department shows that the province had just spent 56.7% of the scholar transport budget.

The table below shows a history of over expenditure on scholar transport, with overspending by 68% in 2012; 13% in 2013 and by 21% in 2014. The consistent overspending suggests that the provincial Departments of Transport and Education may not be planning and budgeting accurately for scholar transport in the Eastern Cape.

Table 7: Eastern Cape Scholar transport allocations and expenditures 2012 - 2014

R'000	Allocation	Actual Expenditure	% over expenditure
2012 budget	210,949	355,133	68%
2013 budget	336,898	383,593	13%
2014 budget	356,076	431,214	21%

Source: Eastern Cape Estimates of Provincial Revenue & Expenditure 2013, 2014 and 201

Table 8 below shows scholar transport budgets and scholar targets presented in the 2015 Eastern Cape budget. The 2015 Eastern Cape budget shows that the EC Department of Transport has revised this budget estimate upwards to R431.2 million. This means that the department is now transporting 57,000 scholars at an estimated cost of R7,565 per student. It should be noted that the number of learners transported according to the EC Department of Transport is slightly different from the number provided by the National Department of Transport. The 2014/15 budget allocation has also not been revised by the national department to be in line with the revised budget of the provincial department.

When the evidence in Table 8 is compared with the evidence in Table 7, it appears as if the Eastern Cape Department of Transport underestimated the total cost per learner and therefore under budgeted for scholar transport in 2014/15. According to the National Department of Transport (see

Table 6) 94,938 learners qualify for learner transport in the province. If all these learners are transported at the provincial department's estimated cost per learner for 2014/15, a budget of at least R718 million will be needed. 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 than the number of eligible scholars suggested by the national Department of Transport in Table 6.

Table 8: Scholar transport estimates in 2015 budget.

	2014/15	2015/16	2016/17	2017/18
	Revised	Estimate	Estimate	Estimate
Scholar Transport Budgets	R 431,214,000	R 432,818,000	R 462,951,000	R 492,598,000
Target No. of Scholars	57,000	65,000	75,000	75,000
Budget estimate per student	R7,565	R6,658	R6,172	R6,567

Source: Eastern Cape Estimates of Provincial Revenue & Expenditure 2015, Vote 10 Department of Transport p.503 -504, budget estimate per student -own calculations

Provincial departments of Education and Transport are struggling to meet scholar transport demand and based on the scholar transport budget estimates, the province will continue to under budget for scholar transport over the MTEF. What is concerning from the projected targets of the provinces presented in Table 8 is that their future targets are nowhere near the total number of learners that qualify for learner transport in the province. Should the status quo remain, 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 infrastructure as well as the closure and merging of schools.

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.

The absence of scholar transport means that learners are without access to schools, and the right in section 29 of the Constitution is being violated. In addition, the state is failing in the duty to protect the interests of children, and the learners safety is often in question, as well as their health – after having to sacrifice sleep and walk for hours on end to attend school, often walking in the rain and cold, and crossing dangerous rivers.

This year, Equal Education, represented by the Equal Education Law Centre, took numerous statements from learners in Nqutu in Kwazulu Natal, who are without scholar transport. Some of what the learners said is included in Appendix C, with learners names changed:

On 21 April this year, the Daily Dispatch reported that a 13 year old learner named Luthu Felepo died at a school in Mdantsane. The learner had a heart condition, and had scrambled to book her place on the scholar transport to return home that day. The principal noted that this kind of scramble was a daily occurrence, as the scholar transport was provided on a first come first serve basis. As the Dispatch reported, at Luthu's school, the learner would have rushed in the knowledge that only 163 children out of 343 would get a place on the scholar transport, leaving 180 more children to walk a distance of up to 26 km.

There like 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 the provincial treasury is not sufficient and to prevent tragedies such as Luthu Felepo's from happening in future— an urgent solution is required.

Last year in a submission to the Standing Committee on Appropriations –Equal Education recommended the introduction of a scholar transport conditional grant. Conditional grants have stronger lines of reporting and accountability and could enhance transparency, better planning and budgeting. The introduction of a scholar transport conditional grant could also ensure that there is adequate budgeting, needs assessment and planning for scholar transport. Moreover, 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.

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." ^{viii}

We recommend the following features to be considered in the design of such a grant

- That the grant allocation formula takes into account the rural terrain of a province
- 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 based on the quality and availability of road infrastructure.
- That the grant funds different interventions most appropriate to the varying scenarios across the province. 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.

- Another feature could be that the grant is linked to key outputs or performance indicators.

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.

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.

Concluding Remarks

EE has raised concerns regarding shrinking projections for school infrastructure funding and a low commitment from the 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 also 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 provincial infrastructure reports such as User Asset Management Plans (U-AMPs), Infrastructure Project Management Plan (IPMPs) and procurement plans. We also ask that the Province's ES contribution to school infrastructure be significantly increased, so that it plays a primary role in budgeting for the completion of the upgrades required by law, rather than the supplementary role which was never intended for it.

EE calls for an urgent finalization of a national and provincial 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 rural provinces – such as the Eastern Cape, where distances are long and the terrain is a particular challenge. We are doing our children a disservice, and indeed compromising their constitutional rights, by failing to ensure that learners have proper and safe access to schools every day, and by failing drastically to budget for every child in the Province.

Appendix A – verification of 2014, 2015 EIG lists and 2014 ASIDI Masterlist

School	Education district	Infrastructure challenges	2014 EIG LIST	2015 EIG LIST	ASIDI LIST	Completion date
Amabhele Ss	Butterworth	Partially inappropriate structures	NO	NO	NO	N/A
Biyana Js	Butterworth	Without water and electricity	NO	NO	NO	N/A
Blythswood	Butterworth	Partially inappropriate structures	NO	YES	NO	Mar-18
Bongolethu High	Butterworth	Without water and partially inappropriate structures	YES	YES	NO	Mar-17

Centane	Butterworth	Without electricity	NO	NO	NO	N/A
C.M.Bikitsha Sp	Butterworth	Without water and electricity	NO	YES	NO	Mar-17
Cunningham Ss	Butterworth	Partially inappropriate structures	NO	YES	NO	Mar-17
Bly Ngcongolo Jp	King Williams Town	Without water	NO	NO	NO	N/A
Breidbach	King Williams Town	Partially inappropriate structures	NO	NO	NO	N/A
Bulelani Pre Primary	King Williams Town	Without electricity	NO	NO	NO	N/A
Caba Ss	King Williams Town	Partially inappropriate structures	NO	NO	YES Allocated	Not provided
Cathcart Ps	King Williams Town	Partially inappropriate structures	NO	YES	NO	Mar-19
Dumani	King Williams Town	Partially inappropriate structures	NO	NO	NO	N/A
Hamilton	King Williams Town	Partially inappropriate structures	NO	NO	NO	N/A
Hh Majiza Ss	King Williams Town	Without sanitation	NO	NO	NO	N/A

Kanyisa Sp	King Williams Town	Without electricity	NO	YES	NO	Mar-17
Khayalabantu Ps	King Williams Town	Partially inappropriate structures	NO	NO	NO	N/A
Kwasa Ps	King Williams Town	Without sanitation	NO	NO	NO	N/A
Lower Mnyameni	King Williams Town	Partially inappropriate structures	NO	NO	NO	N/A
Luxomo Js	King Williams Town	Without water	NO	NO	NO	N/A

Sources: 2014 and 2015 Eastern Cape Provincial Estimates of Expenditure and Revenue, Vote 8; ASIDI Masterlist available at www.dbe.gov.za

Notes:

***Using the Access to Information Act, in 2014 EE received a list of schools from the provincial education department which currently does not meet the minimum norms and standards. EE checked if the schools on this list provided by the provincial education department had been included in the 2014 and 2015 provincial infrastructure lists or the ASIDI Masterlist. If a school is on one of these lists, it means that it has been identified as being in need of either new infrastructure or the maintenance, upgrading or rehabilitation of existing infrastructure. It also means that a budget and time frames have been allocated for the infrastructure project. EE verified of the 97 schools which appear on the DBE Access to Info list, 43 were not on any provincial lists and almost all of the 54 schools that do appear on at least one of the infrastructure lists, have estimated completion dates post the 2016 norms and standards deadline.**

*** This template has been limited to contain only 20 of the 97 schools verified by EE for the purposes of the submission**

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		
Eastern Cape						
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%
Gauteng						
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%
KwaZulu Natal						
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%
Western Cape						
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%	1.82%	3.57%	3.46%
Education Infrastructure ES as share of total ES	1.25%	1.03%	1.04%	0.07%	0.11%	0.10%

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>;
Cape Provincial Treasury, 2015. Estimates of Provincial Revenue and Expenditure
(file:///C:/Users/Charlene/Downloads/Eastern%20Cape%20EPERE%202015_16.pdf);
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/EstimateofProvincia
lRevenueandExp.aspx](http://www.kzntreasury.gov.za/BusinessUnits/ResourceManagement/PublicFinance/EstimateofProvincia%20RevenueandExp.aspx)); Western Cape Provincial Treasury. 2015. Estimates of
Provincial Revenue and Expenditure
(<https://www.westerncape.gov.za/dept/treasury/documents/budgets/2015>)

Appendix 3: Scholar transport affidavits

Learner 1

“Every school morning I must wake up very early. After I get up I first have to bath and dress my sister’s child. I then help my sister and brother get ready for school. Sometimes, if there is food, I make us all breakfast.

I then leave my house at about 6h40 in the morning and start my walk to school. Most of the time I am walking by myself. My school starts at 7h30 am but sometimes when I arrive the gate is already locked. Sometimes I go back home if the gates are locked.”

Learner 2

“The most difficult part of walking to school is the mountains that I have to climb. It is difficult to go up the mountains. It is hard when it rains because then I am getting wet. I do my best to try and protect my books from the rain. I put my books under my shirt so that they do not get wet.

If it is hot then it is hard for me to walk as well. I even get home having a headache and sometimes I don’t do my homework because I am very tired when I get home. I am very afraid of walking in the lightning and thunder.”

Learner 3

“I get so tired from walking. I am exhausted when I reach school. I just want to lay down. My feet hurt from all the walking but you get used to it although it is hard, you do not have another option. When my sister and I walk we have to climb up mountains and walk through gravel and our shoes get spoilt.

The only time I stayed at home because of bad weather was when we experienced snow in 2012. When it is raining I walk in the rain. If I am walking and the lightning starts then I take shelter at the closest home that I can find. In the mornings if there is lightning before I leave for school then I wait for the lightning to pass and then my sister and I start our walk to school. This makes us even more late.

It is tough when I arrive late and I have missed classes or my books got wet because I was walking in the rain. When I walk in the rain I sometimes use plastic to cover my books and it helps a bit but my books still get damaged as well as my shoes.”

Learner 4

“When I am walking to school when the weather is really hot then I have a headache in class for almost every day. I feel sleepy in class because the night before, when I get home from school, I have to do my chores. I have to start the fire and I have to start cooking. I have to clean the house, if it is my turn to clean, and I also have to fetch water. Then I also have to study. I get to bed at about 22h30.

I try to study before I go to bed but sometimes I do fall asleep without studying especially on Fridays. I struggle to do my homework. I struggle with Accounting and Maths. I try to do my homework even if I am tired. My favourite subjects are Business Studies and Economics. These are the subjects I do best in. I want to study Economics at TUT in Pretoria.”

Teacher

“We have had two cases of learners raped whilst walking. One learner was 17 and the other learner was 18. The [one] learner was on her way home from Nondweni. She went to the library there because our school does not have a library and on her way back from the library she was raped. The [other] learner was raped on her way home from school.

Many learners have to walk through deserted places where there are no houses and this is not safe. We had a male learner in grade 8 that was also raped ... The learner had come to school to write exams and was on his way home when he was accosted by a group and raped.”

ⁱ South African Schools Act 84 of 1996, Regulations relating to Minimum Uniform Norms and Standards for Public School Infrastructure.

ⁱⁱ Ibid

ⁱⁱⁱ Budget Speech 2015/16 delivered February 2015

^{iv} 2015/16 Budget Review, p.78 & 84; Chapter 12 of the National Treasury publication Intergovernmental Fiscal Review 2010/11 – 2016/17, p.201

^v Ibid, [2015 Division of Revenue Bill, p.40 & p.121](#)

^{vi} Eastern Cape Provincial Estimates of Revenue and Expenditure 2015/16, p.23

^{vii} Eastern Cape *Estimates of Provincial Revenue & Expenditure* 2015/16, p.502

^{viii} 2015/16 Budget Review, p.112