

Equal Education submission to the Finance Committee, Gauteng Legislature

Key points of document

- **It is commendable that the province has allocated additional amounts to the provision of school infrastructure over the MTEF period.** Over the next three years R5.4 billion has been allocated to the provision of school infrastructure while R2.6 billion has been allocated for the upgrade, rehabilitation and maintenance of existing infrastructure.
- In order to monitor the effective delivery of school infrastructure more information is needed than just the total amounts budgeted for new and existing infrastructure. **Equal Education therefore urges the committee to request that the Infrastructure Programme Implementation Plan (IPIP) and Infrastructure Reporting Model (IRM) reports are made publicly available each time that they are released or updated.**
- **Equal Education urges the committee to look into the sufficiency of allocations for maintenance.** While the allocation for the maintenance of existing infrastructure has been increased for the current year we question whether it is sufficient to address urgent maintenance needs. There is also a concern that the maintenance allocation is forecasted to decrease in the final two years of the current MTEF period when the planned new infrastructure would surely increase the demand for day to day maintenance.

1. Increased Funding for the Provision of School Infrastructure

Key Points:

- In the 2015 budget, the province has allocated R2.6 billion for the provision of school infrastructure in 2015/16. This is an increase of almost R800 million from the 2014/15 year.
- The province has contributed R1.7 billion from its equitable share to the 2015/16 school infrastructure budget, with R935 million funded by the Education Infrastructure Grant (EIG).
- The EIG allocations are projected to increase in the two outer years of the 2015 MTEF, to R1.27 billion and R1.43 billion respectively. It should be noted that in both years the total EIG contains an unallocated amount and the province might receive an additional incentive if it exceeds the minimum requirements set by the National Treasury.
- The province is planning to contribute R1.32 billion and R1.39 billion from its equitable share to the provision of school infrastructure in 2016/17 and 2017/18 respectively

- Table 2 shows the preliminary allocations for 2015/16 and 2016/17 published in the 2014 Budget. The province has allocated approximately R600 million more to school infrastructure in 2015/16 than was initially estimated in the 2014 budget, with most of the additional funds coming from its equitable share. The province has also increased its forecasted equitable share contribution for the 2016/17 financial year.
- **It is clear that the province has allocated a substantial additional amount to the provision of school infrastructure over the MTEF period. Without access to the Norms and Standards needs assessments as well as a detailed costing of the needs assessment for each school it is not possible to comment whether the increased allocations over the period are enough to provide schools with infrastructure according to need.**

Table 1: Funding for Education Infrastructure: 2015 Budget

R'000	2015/16	2016/17	2017/18
EIG	935,725	1,274,825	1,428,566
EPWP Integrated Grant	2,409	0	0
Equitable Share	1,668,265	1,324,697	1,390,932
Total	2,606,399	2,599,522	2,819,498

Source: Gauteng Provincial Treasury. 2015 Estimates of Capital Expenditure

Table 2: Funding for Education Infrastructure: 2014 Budget Projections

R'000	2015/16	2016/17
EIG	852,247	0
Equitable Share	1,116,695	1,176,996
Total	1,968,942	1,176,996

Source: Gauteng Provincial Treasury, 2014 Estimates of Capital Expenditure

- Table 3 shows the changes in Gauteng's EIG allocation for the 2015/16 year since the first projection for this year was made in the 2013 Division of Revenue Act (DoRA). The allocation declined slightly between the 2013 and 2014 DoRA. This decline was the result of changes to the eligibility criteria for the EIG. In the 2014 DoRA all the provinces received a base allocation for 2015/16 and a large amount was set aside as the incentive component to be divided between the nine provinces after an evaluation process. Gauteng not only qualified for an incentive but was one of only two provinces (along with the Western Cape) to have received a larger EIG allocation in 2015/16 than was initially projected in the 2013 DoRA.

Table 3: Adjusted EIG Allocations

R'000	2015/16	2016/17	2017/18
2013 DoRA	905,339		
2014 DoRA	852,247		
2015 Budget	935,725	1,274,825	1,428,566

Source: National Treasury, 2013 DoRA and 2014 DoRA; Gauteng Provincial Treasury, 2015 Estimates of Capital Expenditure

2. Infrastructure Allocations by Category

Key Points:

- The majority of the funds for the delivery of school infrastructure have been allocated to the provision of new infrastructure.



- No additional allocations have been made to existing infrastructure, with a large decrease forecasted in the total allocation for 2017/18 as a result of an almost R400 million decline in the allocation for rehabilitation and refurbishment.
- The maintenance allocation was increased in the 2014/15 adjusted budget to address emergency sanitation maintenance. While the 2015/16 allocation is now slightly higher than forecasted in the 2014 Budget, the 2016/17 allocation is forecasted to decline, with only a very small increase in 2017/18. The maintenance budget does not appear to have been adjusted to provide for the maintenance that will be required by the planned new school infrastructure.
- No specific allocations or information has been provided for related to the provision or maintenance of school sanitation facilities.
- The names of the schools where upgrades and additions, and rehabilitation and refurbishments are going to take place are published in the appendix to the department of education's capital budget vote. **No information on the specific upgrade, etc. is, however, provided.**

Table 4: Composition of Infrastructure Allocations by Category (2015 Budget)

R'000	2014/15		2015/16	2016/17	2017/18
	Main Appropriation	Adjusted Appropriation	MTEF		
New Infrastructure	694,102	597,454	1,613,601	1,645,945	2,134,446
Existing Infrastructure	994,983	1,220,931	992,798	953,577	685,052
<i>Upgrade & Additions</i>	<i>201,445</i>	<i>473,613</i>	<i>286,070</i>	<i>210,255</i>	<i>321,171</i>
<i>Rehab & Refurbishment</i>	<i>540,292</i>	<i>336,581</i>	<i>285,519</i>	<i>451,460</i>	<i>62,668</i>
<i>Maintenance</i>	<i>253,246</i>	<i>410,737</i>	<i>421,209</i>	<i>291,862</i>	<i>301,218</i>
TOTAL	1,689,085	1,818,385	2,606,399	2,599,522	2,819,498

Source: Gauteng Provincial Treasury. 2015 Estimates of Capital Expenditure

- Table 5 shows the projections for 2015/16 and 2016/17 in the 2014 Budget. The total allocations towards existing infrastructure in the 2015 budget are lower for 2015/16 than the initial projections provided in the 2014 budget. While the specific allocation for maintenance has been increased in 2015/16, the allocations for rehabilitation and refurbishment, and for upgrades and additions have been decreased for that year. For the 2016/17 year, the total allocation is slightly higher than first published in the 2014 budget, but only the rehabilitation and refurbishment item has received a significantly higher amount. The allocation for maintenance has actually been reduced for 2016/ 2017.

Table 5: Composition of Infrastructure by Category (2014 Budget)

R'000	2015/16	2016/17
MTEF		
New Infrastructure	917,010	260,000
Existing Infrastructure	1,051,932	916,996
<i>Upgrade & Additions</i>	<i>373,513</i>	<i>207,500</i>
<i>Rehab & Refurbishment</i>	<i>449,974</i>	<i>344,424</i>
<i>Maintenance</i>	<i>228,445</i>	<i>365,072</i>
TOTAL	1,968,942	1,176,996

Source: Gauteng Provincial Treasury. 2014 Estimates of Capital Expenditure



3. Additional Information needed to monitor the delivery of school infrastructure

- Why do we need more detailed financial and non-financial information? In order for citizens and the legislature to monitor the effective delivery of school infrastructure more information is needed than just the total amounts budgeted to provide new and replacement infrastructure, upgrades and additions, replacements and refurbishments, and maintenance.
- In addition to budget allocations, EE and the legislature needs to know the following:
 - Name of the school
 - Name of the municipality and suburb/township where the school is located
 - Name of the implementing agent
 - Name of the contractor
 - A detailed description of the planned infrastructure: e.g. the number of classrooms to be build, the number of toilets to be build, etc.
 - The total allocated budget, by financial year
 - The planned or expected project duration
 - Progress with expenditure on each project: annually as well as quarterly
 - Progress with each project, as well as an indication if/when the work has been completed
- The detailed information on the planned infrastructure will assist EE and the legislature to compare the backlogs they have identified in schools that they have visited with the infrastructure the provincial government is planning to deliver in those schools. In addition, EE can compare what has been planned and committed by the province against what is then delivered by the province.
- The information on progress listed above will allow EE and the legislature to monitor whether the school infrastructure as planned by the provincial government has actually been delivered. The information on the quarterly progress with both expenditure and the actual construction will also allow EE to monitor progress with the projects and highlight any delays. This information can assist in identifying whether any specific implementing agents or specific contractors are more prone to be associated with delays or non-delivery of projects. Additional bottlenecks such as non-payment of contractors can also possibly be identified.
- Currently only the following information is published (as an annexure to the Capital Budget of the Gauteng Department of Education):
 - Name of the school
 - Location (both municipality and suburb/township)
 - Implementing agent (the Gauteng Department of Infrastructure Development is the implementing agent for the delivery all education infrastructure funded by EIG and the equitable share, apart from day-to-day maintenance provided by the provincial Department of Education)
 - The budget allocations for each of the three financial years of the current MTEF period
 - The total project duration (Start and finish dates)
- Currently, all the additional information required for effective monitoring is already collected and put in document form by the provincial departments of Education and Infrastructure Development, but not published. The most critical documents are those listed below. We urge the committee to request that these documents be published and made publicly available on a regular basis.
- **Infrastructure Programme Implementation Plan (IPIP):** The IPIP is prepared by the implementing agent in response to the information on all planned infrastructure for the financial year submitted to them by the provincial Department of Education. The IPIP contains, amongst other things, detailed information on the roles, responsibilities and reporting requirements for all role players. More importantly it presents detailed information for each school on the infrastructure planned for that school, including the actual number of



units (such as number of classrooms) to be delivered, the total project duration, the total project cost as well as the budget allocations for the current MTEF period. The project expenditure to date from previous years is also provided. The annexures contained detailed implementation plans for each school, with targets dates for each stage of the procurement and construction process.

- **Infrastructure Reporting Model (IRM) Reports:** The IRM reports are submitted to the relevant provincial treasury by the provincial department of education on a monthly basis. Apart from details such as the name of the school, etc. these reports also show the project status, total project budget, allocations per year, progress with the project as well as details if a project has been cancelled.

Appendix

Summary of Key Information Needed to Monitor School Infrastructure Delivery

Item	Source	Availability
Name of School		
Municipality & Suburb/Township	Appendix to Gauteng Education Department Budget Vote (Estimates of Capital Expenditure)	Produced and published (http://www.treasury.gpg.gov.za/Documents/Estimates%20of%20Capital%20Expenditure%202015.pdf)
Implementing Agent		
Contractor		
Planned infrastructure (detail)	IPIP	Produced but not published
	IRM	Produced but not published
Total allocated budget by financial year for current MTEF period	Appendix to Gauteng Education Department Budget Vote (Estimates of Capital Expenditure)	Produced and published (http://www.treasury.gpg.gov.za/Documents/Estimates%20of%20Capital%20Expenditure%202015.pdf)
	IPIP	20Expenditure%202015.pdf
	IRM	Produced but not published Produced but not published
Total project cost	IPIP	Produced but not published
	IRM	Produced but not published
Past expenditure to date	IPIP	Produced but not published
	IRM	Produced but not published
	Appendix to Gauteng Education Department	Produced and published



Planned project duration	Budget Vote (Estimates of Capital Expenditure) IPIP IRM	(http://www.treasury.gpg.gov.za/Documents/Estimates%20of%20Capital%20Expenditure%202015.pdf) Produced but not published Produced but not published
Quarterly and annual progress with expenditure	IRM	Produced but not published
Project progress	IRM	Produced but not published
Project completion	IRM	Produced but not published

