

Education Budget Analysis**2013/14****May 2013****Zukiswa Kota**

Monitoring and Advocacy Programme, Public Service Accountability Monitor (PSAM)

For more information contact the PSAM, psam-admin@ru.ac.za**Tel: (046) 603 8358, Fax: (046) 622 7578****Key Findings and Recommendations:****Finding 1:**

In real terms, all nine provincial education departments will experience decreases in the budget allocation for compensation of employees when compared against the adjusted appropriations of 2012/13. In nominal terms, the Eastern Cape and the Free State departments project the lowest growth; 1.88% and 1.45% respectively while the Western Cape, Mpumalanga and Gauteng (7.25%, 7.33% and 7.10%) reflect the highest increases. Expenditure on personnel as a percentage of the total budget remains poorly managed and continues to be a threat to other line items such as Goods and Services.

Recommendation 1:

There is a need to enhance the current oversight and monitoring mechanisms by placing specific emphasis on personnel expenditure. The Directorate of Provincial Budget Monitoring and Support must strengthen its investigative and advisory roles in provincial departments in addition to providing quarterly reports to legislature.

Finding 2:

The Department of Basic Education has fallen behind its 2011/12 target to deliver 49 new schools by 31 March 2012, and 50 new schools by 31 March 2013 with the result that the target of 346 new schools by the end of 2014/15 appears unlikely to be achieved. There is a

high level of confusion regarding the progress made in the eradication of mud schools and poor clarity on expenditure. In some cases, there are contradictory statistics relating to progress in eradicating inappropriate structures in the country.

Recommendation 2:

The Department of Basic Education needs to re-evaluate the current infrastructure provisioning by incorporating the recommendations of the Auditor-General in relation to fiscal management and reporting. It must also improve considerably upon its efforts to respond, account and comply with court rulings that seek to guide implementation of infrastructure plans.

Finding 3:

Overall the Department of Basic Education has been allocated R 8.8 billion for infrastructure projects in 2013/14. This equates to a mere 8.78% nominal increase from the 2012/13 adjusted appropriation and a decrease of 1.71% in real terms. The average growth over the MTEF is projected at just 0.16%. It is unclear from the 2013/14 Estimates of National Expenditure for Vote 15 what the expenditure trends in 2012/13 were as only the adjusted appropriation is reported.

Recommendation 3:

It is ever more important for the Department to expedite delivery on all infrastructure projects not only to avoid delays to the actual schools but also to avoid incurring further cost as a result of stalled projects. In order to optimise limited budgets, the planning and financial management at both national and provincial levels must become more stringent.

Finding 4:

The Eastern Cape Department of Education underspent on its overall 2012/13 budget by R 691.9 million (2.6%). This under expenditure is attributable to the School Nutrition Programme, Compensation of Employees and the Technical Schools Recapitalisation Grant.

Recommendation 4:

There can be little justification for such under expenditure. The Department must establish sound plans to create a database of credible, efficient local companies to provide, amongst other services, efficient procurement for technical schools. It is vital that departmental maintenance - especially of schools is informed by industry best practice. The provincial legislature is urged to seek explanations from the Department for all under expenditure in addition to a detailed plan on the corrective action to be taken to avoid a recurrence.

Finding 5:

The Eastern Cape Department of Education has been allocated R 1.3 billion for the 2013/14 financial year for the provisioning of infrastructure. This is a nominal increase of 27.7% and 15.4% in real terms when compared against the 2012/13 adjusted appropriation.

Recommendation 5:

The Department must accelerate infrastructure delivery and improve expenditure through optimising involvement in the provincial Centralised Project Management Unit (CPMU) as well as through the Accelerated School Infrastructure Delivery Initiative (ASIDI). It is also imperative that the Department ensures the credibility and capability of the various implementing agents through rigorous vetting and monitoring processes. The CPMU together with the Education Portfolio Committee are urged to upscale their oversight, especially in order to ensure that infrastructure project monitoring and evaluation is enhanced throughout the province.

Finding 6:

The personnel line item in the Eastern Cape Department of Education will see an increase of 1.88% in nominal terms and a decrease of 7.94% in real terms from the 2012/13 adjusted appropriation; taking the total allocation to R 21.9 billion.

Recommendation 6:

In light of the low increase in nominal terms and decrease in real terms, there is a serious need for prudent expenditure where the compensation of employees is concerned. The Department must seek to resolve teacher deployment, post duplication and shortages and streamline the process of post declaration on an annual basis – the latter process is a critical annual exercise required by statute which has been neglected for some time. It is also necessary to obtain the cooperation of all teacher unions through decisive action on issues of employee deployment and compensations. The provincial legislature also has a critical role to play in strengthening oversight in the finalisation of a clean PERSAL system.

Key National and International Priorities

Section 29 of the South African Constitution provides for every citizen's right to a basic education.¹ The Department of Education's vision is *to offer a quality education and training system that transforms schools into centres of community life and promote shared moral values, good governance and sustainable development.*² On both the national and provincial scale, spending on education remains the single largest government budget allocation; commensurate with the recently developed delivery agreements. Education is ranked as a top priority; Outcome 1 being "Improved quality of basic education".³

President Jacob Zuma in the 2013 State of the Nation Address highlighted his administration's five priority areas; education, health, job creation, crime-fighting and rural development.⁴ The President announced these priorities in addition to infrastructure projects commenced in 2012. Between March 2012 and March 2013, the President projected the total number of new schools that will have been constructed at 98; stating that 40 of these would be in the Eastern Cape. In addition, he announced plans to build two new tertiary institutions in the Northern Cape and Mpumalanga.

On 22nd September 2008 at a presentation by the Independent Development Trust (IDT) to the parliamentary Portfolio Committee on Education, the role of women in the implementing agencies was emphasised. Of the 16 contractors selected, the IDT stated that 14 were either female owned or managed and that the intention was to ensure that 30% of the funds would be channelled towards the empowerment of women.⁵ This information has not been included in the current (2011 -2015) contractor profiles within the projects under ASIDI. The DBE is urged to place emphasis on the publication of such information as a means of monitoring levels of compliance with national requirements in equity and transformation. It is imperative that the sub programme at national level; Mobilisation and Partnerships in Education promotes cohesion across all provincial departments in reporting on, budgeting for and working towards gender equity and related programmes in the sector.⁶ This is particularly important as monitoring of policy implementation in relation to the empowerment of women

¹ Constitution of the Republic of South Africa, Act 108 of 1996, Chapter 2, Section 29; Subsection 1a.

² Eastern Cape Provincial Treasury, *Budget Statement II 2009/10*, p. 189.

³ The Delivery Agreement is related to Government's Action Plan to 2014; a document detailing the 12 outcomes for work to be done by the South African Government in consultation with various stakeholders" The delivery agreement is intended to be "an important input into the budgeting process for 2011/12" and reviewed on an annual basis. Department of Basic Education, Republic of South Africa. *Delivery Agreement For Outcome 1: Improved Quality of Basic Education(UNDATED)*.

⁴ State of the Nation Address by His Excellency Jacob Zuma, President of South Africa on the Occasion of the Joint Sitting of Parliament, Cape Town, 14th February 2013 Available Online : <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=33341&tid=94943>

⁵ Parliamentary Monitoring Group. 22nd September 2008. Women Contractor Empowerment and Mud Schools Eradication: Independent Development Trust Briefings. Available Online: <http://www.pmg.org.za/report/20080922-women-contractor-empowerment-mud-school-eradicationindependent-devel>

⁶ This Sub Programme is housed within the Department of Basic Education. Within its mandate is the role of ensuring the promotion and monitoring of programmes and policies that promote gender equity. The PSAM noted in a Strategic Plan Evaluation of the Eastern Cape Department of Education that while regional and national gender parity within the sector are positive, addressing gender equity within senior management within schools and education administration was not outlined as a priority. (The Gender Parity Index (GPI) is a socioeconomic index that measures the relative access to education of females and males in the form of a ratio.)

is a core function of this sub programme. Further to this, while the national level programmes such as Care and Support in Schools and Mobilisation and Partnerships in Education possess mandates to promote gender equity, there is no articulation of the budgetary allocations explicitly addressing these components. This, therefore makes it difficult to accurately gauge the extent to which the public budgets in education are utilised to make gains towards achieving Millennium Development Goal 3 which addresses issues of gender equity and the empowerment of women.⁷

Table 1: Audit Findings: Provincial Departments of Education: 2011/12

PROVINCE	AUDIT FINDING 2011/12
Eastern Cape⁸	Disclaimer
Free State⁹	Financially unqualified with findings
Gauteng¹⁰	Unqualified
Kwazulu-Natal¹¹	Qualified
Limpopo¹²	Disclaimer

⁷ United Nations Development Programme. *The Millennium Development Goals Report 2012*. Available Online: <http://www.undp.org/content/undp/en/home/librarypage/mdg/the-millennium-development-goals-report-2012/>

⁸ Eastern Cape Department of Education. *Annual Report 2011/12*.

⁹ Free State Department of Education. Available Online: <http://www.education.fs.gov.za/>

¹⁰ Gauteng Department of Education, *Annual Report and Audited Financial Statements 2011/12*. Available Online: <http://www.education.gpg.gov.za/Document5/Documents/Annual%20Report%202011-2012.pdf> Accessed 21st February 2013.

¹¹ Kwazulu-Natal Department of Education *Annual Report 2011/12*. Available Online: <http://www.kzneducation.gov.za/Portals/0/Circuiars/General/2012/KZNDoe-Annual-Report-2011-2012.pdf> Accessed 21st February 2013.

¹² Auditor-General of South Africa General Audit Outcomes 2011/12. Limpopo Available Online: http://www.agsa.co.za/Reports%20Documents/LIMPOPO_1.pdf

Mpumalanga¹³	Financially unqualified with findings
North West¹⁴	Qualified
Northern Cape¹⁵	Qualified
Western Cape¹⁶	Qualified
National Department¹⁷	Unqualified

Table 1 illustrates one aspect of the budgetary environment across the nine provincial departments in South Africa as well as within the national administration. This is also useful as a foreground to determining the extent to which available resources are used efficiently and prudently within the Department of Education.

Compensation of Employees

By its very nature, the education sector is labour intensive. It should therefore be expected that the bulk of the total budget for a department would be allocated to compensating employees. Below (Figure 1 and Figure 3) are illustrations of the allocation for the personnel line item by province. The national funding norm stipulated by the DBE is that the ratio of personnel to non-personnel funding should reflect an 80:20 split.¹⁸ Table 3 highlights the expenditure across all nine provinces in this regard.

Notably, the Eastern Cape and Limpopo have the highest percentage of their budget in 2012/13 and 2013/14 allocated to paying staff (Figure 1). These are also the only two provincial departments that received disclaimers for their financial affairs in the 2011/12 financial years as reflected in Table 1 above. The Eastern Cape and Limpopo are also the two provincial authorities that have been under national administration since 2011 in accordance with section 100 1(b) of the Constitution; resulting from financial maladministration amongst other things.¹⁹

¹³ Auditor-General of South Africa. General Audit Outcomes 2011/12 Mpumalanga Available Online: http://www.agsa.co.za/Reports%20Documents/MPUMALANGA_1.pdf

¹⁴ Auditor-General of South Africa. General Audit Outcomes 2011/12 North West Available Online: http://www.agsa.co.za/Reports%20Documents/NORTH%20WEST_1.pdf

¹⁵ Auditor-General of South Africa. General Audit Outcomes 2011/12 Northern Cape Available Online: http://www.agsa.co.za/Reports%20Documents/NORTHERN%20CAPE_1.pdf

¹⁶ Auditor-General of South Africa. General Audit Outcomes 2011/12 Western Cape Available Online: http://www.agsa.co.za/Reports%20Documents/WESTERN%20CAPE_1.pdf

¹⁷ Department of Basic Education *Annual Report 2011/12*, Available Online: <http://www.education.gov.za/LinkClick.aspx?fileticket=YI%2BhMxe4mVU%3D&tabid=422&mid=1263>

¹⁸ 2012 Parliamentary Questions. WQ 2552 NA Compensation of Employees In Provincial Departments, 14th September 2012. Available Online: www.education.gov.za

¹⁹ According to Chapter 5, Section 100 (1) (b) of the Constitution of Republic South Africa provides that:

The Mpumalanga and North West Departments of Education attribute increases in expenditure and allocation to heightened budgetary pressure as a result of payments for Occupation Specific Dispensation, increased standard of living and rural teacher incentives. In Mpumalanga, this will also mean that no posts will be accommodated while in the North West, it is projected that there will be significant amount of pressure on the budget as a result of the “very high vacancy rate in key positions”.²⁰ As will be illustrated below, it is unlikely that provincial budgets will adequately address the priorities relating to teacher shortages within the current financial year. Critical institutional changes must be realised if key priorities in human resource and infrastructure provisioning are to be fulfilled.

When a province cannot or does not fulfil an executive obligation in terms of the Constitution or legislation, the national executive may intervene by taking any appropriate steps to ensure fulfilment of that obligation, including–

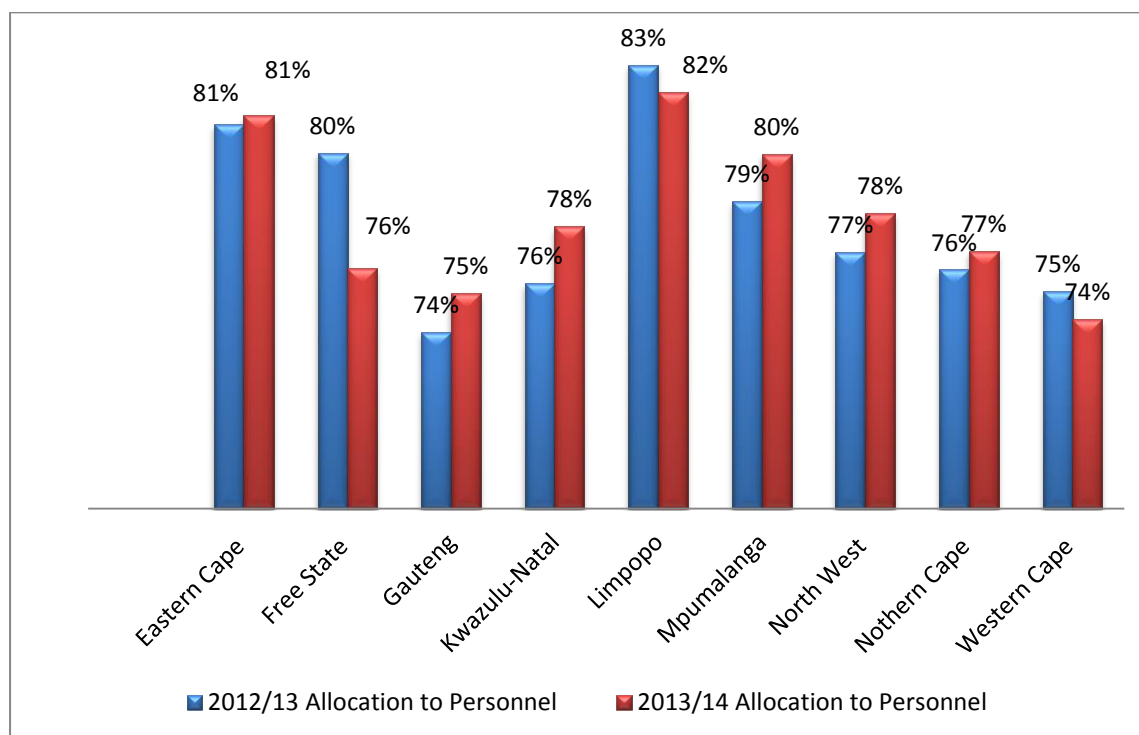
(...)

(b) assuming responsibility for the relevant obligation in that province to the extent necessary to–

- (i) maintain essential national standards or meet established minimum standards for the rendering of a service...*
- (iv) prevent that province from taking unreasonable action that is prejudicial to the interests of another province or to the country as a whole.*

²⁰ National Treasury Estimates of Provincial Expenditure 2012/13 and 2013/14 Available Online: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/Default.aspx> ; North West: Department of Education and Training p.342

Figure 2: Personnel allocation as a percentage of the total allocation by province (2012/13 and 2013/14)²¹



In a reply to a parliamentary question relating to the budgetary allocation for compensation of employees between 2010/11 and 2012/13 financial years, the table below was presented to members of parliament by the DBE on 14th September 2012. These figures exclude the conditional grant allocations. Once again Limpopo and the Eastern Cape stand out, ranging well above the accepted national norms at 90:10 and 97:3 respectively (Table 2). Both Figure 2 and Table 2 reflect the lack of uniformity across provincial departments in adhering to national norms regarding the aforementioned personnel to non-personnel spending ratio. This has significant implications for all provincial education budgets. The current trends of expenditure and fiscal management with regards to personnel are neither efficient nor sustainable. While it is difficult to holistically quantify the trade-offs in terms of other deserving line items such as infrastructure maintenance, learner support material and goods and services, it is becoming increasingly clear that the trade-offs are not only negative but that the situation is in urgent need of correction.

²¹ National Treasury Estimates of Provincial Expenditure 2012/13 and 2013/14 Available Online:

<http://www.treasury.gov.za/documents/provincial%20budget/2012/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/Default.aspx>

and

<http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/Default.aspx>

Table 2: Ratio of budget allocation (Personnel: Non-personnel) 2010/11 to 2012/13²²

Provinces	2010/11	2011/12	2012/13
	Ratio/Percentage	Ratio/Percentage	Ratio/Percentage
Eastern Cape	84:16	89:11	90:10
Free State	85:15	86:14	89:11
Gauteng	79:21	80:20	81:9
KwaZulu-Natal	89:11	83:17	84:16
Limpopo	86:14	91:9	93:7
Mpumalanga	85:15	87:13	87:13
Northern Cape	82:18	83:17	87:13
North West	84:16	86:14	86:14
Western Cape	83:17	83:17	83:17
Total	83:17	85:15	86:14

Failure to effectively manage expenditure in this line item has been noted for the Eastern Cape²³ and Limpopo²⁴ Departments of Education. These departments continue to contribute to poor audit outcomes in both provincial governments. In Limpopo, the Department of Education was found to be one of five government departments in the province to have achieved expenditure in excess of its overall revenue.²⁵ This, according to the Auditor-General's Report would result in the Department using the following year's budget to fund expenditure in the current year and beginning the next year with a possible budget deficit.²⁶

In 2012/13, an additional allocation of R 65 million was approved to ease the dire pressure on the goods and services budget in light of the burgeoning costs in the compensation of employees line item of the ECDoE.²⁷ Over expenditure on personnel in provincial departments has been acknowledged by the DBE.²⁸ The DBE, while highlighting that allocation decisions are provincial government competencies, also stated that there is no specific task team focussed on investigating over expenditure on personnel.

²² Table extracted from 2012 Parliamentary Questions. WQ 2552 NA Compensation of Employees In Provincial Departments, 14th September 2012. Available Online: www.education.gov.za

²³ Auditor-General of South Africa General Report on the Provincial Audit Outcomes 2011/12. Eastern Cape Available Online: www.agsa.co.za

²⁴ Auditor-General of South Africa General Report on the Provincial Audit Outcomes 2011/12. Limpopo Available Online: http://www.agsa.co.za/Reports%20Documents/LIMPOPO_1.pdf

²⁵ Auditor-General of South Africa General Report on the Provincial Audit Outcomes 2011/12. Limpopo. p. 106. Available Online: http://www.agsa.co.za/Reports%20Documents/LIMPOPO_1.pdf

²⁶ Auditor-General of South Africa General Report on the Provincial Audit Outcomes 2011/12. Limpopo Available Online: http://www.agsa.co.za/Reports%20Documents/LIMPOPO_1.pdf

²⁷ Province of the Eastern Cape Provincial Planning and Treasury Adjusted Estimates

²⁸ 2012 Parliamentary Questions. WQ 2552 NA Compensation of Employees In Provincial Departments, 14th September 2012. Available Online: www.education.gov.za

The DBE does, however, provide counsel on several aspects including personnel spending based on the findings of the Directorate of Provincial Budget Monitoring and Support, The Directorate reports on budget monitoring exercises in provincial departments quarterly.²⁹ This, then begs the question how this information is used and how the reports are used to improve expenditure trends in the various government departments.

²⁹ 2012 Parliamentary Questions. WQ 2552 NA Compensation of Employees In Provincial Departments, 14th September 2012. Available Online: www.education.gov.za

Table 3: Provincial Estimates of Expenditure and Payments for Personnelⁱ

(R' 000)	Outcome			Main Appropriation 2012/13	Adjusted appropriation 2012/13	Revised estimate 2012/13	Medium-term estimate			Real Change between 2012/13 and 2013/14	Average Growth over MTEF	
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% change from Adjusted Appropriation 2012/13	2013/14	2014/15			2015/16
Eastern Cape	17 110 845	18 857 368	20 344 357	21 337 246	21 569 274	21 486 608	21 974 857	1.88	22 961 256	24 218 711	-7.94	3.29
Free State	6 094 271	6 781 522	7 528 672	8 054 391	7 857 407	8 136 878	7 971 147	1.45	8 290 660	8 753 759	-8.33	3.17
Gauteng	15 278 559	17 355 058	19 270 174	20 099 334	20 604 639	21 148 604	22 066 953	7.10	23 809 744	26 288 578	-3.23	6.01
Kwazulu-Natal	20 867 307	22 609 337	26 639 394	26 325 100	27 447 076	28 013 893	28 746 193	4.73	30 372 790	32 313 187	-5.36	3.98
Limpopo	14 169 799	15 907 881	17 291 133	18 409 066	18 521 351	18 421 877	19 315 759	4.29	20 364 323	21 460 065	-5.77	3.57
Mpumalanga	8 416 088	9 253 275	10 235 116	10 980 130	11 124 142	11 124 142	11 939 540	7.33	12 631 426	13 627 451	-3.02	4.51
Northern Cape	2 490 394	2 720 868	2 951 160	3 194 563	3 206 306	3 206 337	3 416 818	6.57	3 630 257	3 816 071	-3.71	3.75
North West	6 501 950	7 083 417	7 781 177	8 348 820	8 438 565	8 438 565	8 844 040	4.81	9 521 334	10 086 204	-5.30	4.48
Western Cape	8 214 843	9 193 266	9 997 071	10 733 920	10 835 720	10 812 621	11 621 100	7.25	12 344 928	13 293 936	-3.09	4.58
Total economic classification	99 144 056	109 761 992	122 038 254	127 482 570	129 604 480	130 789 525	135 896 407	4.85	143 926 718	153 857 962	-5.25	4.22

Table 3 reflects personnel expenditure trends and estimates between 2009/10 and 2015/16 across all nine South African provinces. Several of the provincial departments report re-allocation of funds from line items such as Goods and Services to increase funding for compensation of employees. Limpopo, for instance, has reduced its funding for Goods and Services between the 2012/13 and the 2013/14 main appropriation by 14.2% in order to increase payments to personnel. While the compensation of employees is of indubitable importance, a decrease in Goods and Services between the adjusted appropriation in 2012/13 and the 2013/14 budget is likely to have negative impacts on the procurement and timely delivery of core teaching and learning material such as textbooks. The Limpopo Department of Education is urged firstly to adhere to recommendations in fiscal control and management made by the Auditor-General and secondly to reprioritise the delivery of teaching and learning material within the budget. The majority of Departments have projected over expenditure on personnel in 2012/13 (see Table 3). The 4th quarter expenditure results for the Eastern Cape indicate that the province spent 97.8% of the adjusted appropriation as at 31st March 2013. This reflects a positive change in infrastructure expenditure.³⁰

The Western Cape, Mpumalanga and Gauteng project the highest increases in nominal terms between the 2012/13 adjusted appropriation and the 2013/14 allocation. However, in light of the high pressure on all provincial personnel budgets it is alarming to note the universal decrease in personnel allocations in real terms for 2013/14. This is likely to translate to recurring over expenditure in several departments, negative impacts on filling of vacancies and transfers from other line items to account for shortfalls. The average nominal growth in personnel allocations in the MTEF is 4.15% reflecting positive though minimal growth in this crucial line item. The Eastern Cape and the Free State Departments of Education reflect the lowest nominal increases in the personnel budget between 2012/13 and 2014/15 and the highest decreases in real terms at 7.94% and 8.33% respectively (Table 3). In the case of the Free State; the Department has highlighted two key priorities; educator supply and the decreasing of the learner: educator ratio.³¹ It is questionable whether the 2013/14 and projected MTEF allocations will sufficiently cater for these priorities. From a national perspective, it is clear that all provincial departments will have to ensure that there is stringent fiscal control and improved management of resources in the current financial year and remainder of the MTEF.

³⁰ Province of the Eastern Cape Provincial Planning and Treasury. 14th May 2013. Presentation on Eastern Cape Expenditure for 2012/13: Select Committee on Finance. Available Online: <http://www.pmg.org.za/report/20130514-eastern-cape-provincial-expenditure-4th-quarter-and-for-year-201213-treasury-financial-fiscal-commission>

³¹ Free State Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/FS/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/FS%20-%20Vote%2006%20-%20Education.pdf> p. 230

Key Provincial Priorities: Eastern Cape

The MEC for Education in the Eastern Cape, Mandla Makupula highlighted several national and universal policies and frameworks guiding his Department's work. These include the Dakar Framework, the UN Millennium Development Goals, the National Planning Commission's National Development Plan 2030 (NDP 2030), Action Plan 2014, Schooling 2025, the Education Sector Plan 2009-2014 and the Freedom Charter.³² In particular, the MEC highlighted the vision laid out in the NDP 2030 relating to education. Of the ten aspects of the NDP 2030 vision highlighted, the provisioning of basic education infrastructure "across the board" also forms a central component of this budget analysis.

On the 27th November 2012 the MEC for Finance in the Eastern Cape, Phumulo Masualle stated that the decrease from 6.8 million to 6.5 million of the Eastern Cape's population has a negative impact on health, education and "basic components of Provincial Equitable share". The MEC explained that this decreases the provincial weighted average relating to the equitable share from 14.9% to 14.2%. He also warned that "going forward, the fiscal framework will be further severely constrained" and urged the executive and legislature to "enforce reforms...and implement the appropriate oversight on all allocations and service delivery programmes".³³

According to MEC Masualle, of the total of R1.2 billion adjustments made in 2012/13 to the provincial budget, approximately R 619.6 million accounted for allocations to education. The Department of Education also benefitted from rollovers for conditional grants. As has been the trend in previous years, budgetary allocations continue to illustrate the prioritisation of the education sector nationally. It is the management of allocated funds that is an ever-present problem. The provinces of Limpopo and the Eastern Cape (see Table 1) are of particular concern.

Infrastructure

Education infrastructure spending and provisioning continue to be problematic in South Africa. The completion deadlines for the eradication of mud structure schools have been shifted several times over the past 5 years. The Accelerated Schools Infrastructure Delivery Initiative (ASIDI) had originally aimed to eradicate 50 mud structures in 2011/12, 100 in 2012/13 and a massive 346 in 2013/14 alone.³⁴ In 2012, the PSAM projected that "at the current rate of project completion this appears an unrealistic target". Sadly, the projection was accurate. Through an assessment of the plans and related budgets of the DBE and ECDoE, the PSAM reported not only that the likelihood of the Department meeting its targets was low but also that there was confusion surrounding actual provisioning.³⁵

³² 2013/14 Budget and Policy Speech, Vote 6, Education Eastern Cape Province Delivered by the MEC for Education and Training Honourable Mandla Makupula in the Provincial Legislature 20th March 2013.

³³ 2013/14 Budget and Policy Speech, Vote 6, Education Eastern Cape Province Delivered by the MEC for Education and Training Honourable Mandla Makupula in the Provincial Legislature 20th March 2013.

³⁴ *Report on Progress on Accelerated Schools Infrastructure Delivery Initiative (ASIDI)*. 6th February 2012. Available Online: <http://www.pmg.org.za/report/20120214-department-basic-education-their-quarterly-reports-3rd-quarter-201112>

³⁵ Public Service Accountability Monitor. May 2012. *Budget Analysis: Eastern Cape Department of Education 2012/13*.

Recent figures indicate that the DBE and ECDoE are working from a baseline of 141 mud schools in the Eastern Cape. However, a presentation made to National Treasury during the 2008/09 financial year by the National Department of Education indicated that there were 142 mud schools in total in the Eastern Cape. This would imply that only one mud school has been eradicated since 2008/09 (see table 5 below). In addition, the ASIDI targets of 50, 100 and 346 schools to be replaced imply that there were at least 496 mud structure schools in the Eastern Cape and that between 2011/12 and 2012/13 all of the schools made entirely of mud would have been eradicated.

In October 2012, the Director-General of Education, Mr. Bobby Soobrayan reported to the Standing Committee on Appropriations that of the 50 schools (initially) promised for delivery by the DBE, only 4 had been completed by the end of the 2011/12 financial year; only 8% of the target was met.³⁶

In February 2013, the Deputy Minister, Mr. Enver Surty promised that 35 of the 49 schools would be completed by 31st March 2013 i.e. by the end of the 2012/13 financial year. In a recent address to education stakeholders in Libode, Minister Motshekga stated that the Department had intended to deliver 49 schools by the end of March but that only 17 had actually been completed. This accounts for 35% of the overall targets since 2011/12.

The DBE has highlighted infrastructure as a priority spending area over the 2013/14 to 2015/16 MTEF.³⁷ This will occur in the form of transfers of the infrastructure grants to provinces. The Department, in placing greater emphasis on creating safe and secure learning spaces has committed to increasing spending on infrastructure. The education infrastructure grant is intended to be supplementary to provincial infrastructure programmes. The grant also has the purpose of enhancing the speed at which infrastructure delivery happens for education. It is inclusive of maintenance, rehabilitation and upgrading of new and existing infrastructure. This is especially critical in the Eastern Cape; the only province, according to a parliamentary brief, that still has mud structures serving as schools.

In the Eastern Cape, according to a report presented in Parliament of the ASIDI, there exist a total of 442 mud schools. In 2012/13, 49 of these schools were targeted for replacement with appropriate structures and in the current financial year (2013/14), 50 of these are set to be replaced, a reduction in the initial targets mentioned above and an extension of project timelines.³⁸ The 2013/14 expenditure statement for the Department of Basic Education outlined the plan to replace 496 schools across the country; of which 395 are mud schools to be addressed within the MTEF.

³⁶ Parliament of the Republic of South Africa. News: Appropriations Standing Committee Warns Department of Basic Education. Available Online: http://www.parliament.gov.za/live/content.php?Item_ID=2526. (It is important to note that at the very outset 50 schools had been targeted before it emerged that the provincial department or a private entity had already constructed one; reducing the target to 49).

³⁷ *National Treasury Estimates of National Expenditure Vote 15: Basic Education*. p. 5. Available Online: <http://www.treasury.gov.za/documents/national%20budget/2013/enebooklets/Vote%2015%20Basic%20Education.pdf>

³⁸ Parliament of the Republic of South Africa. Research Unit. *Analysis and Summary of the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) Progress Report 2013*.

There are 141 schools in the Eastern Cape that are made *entirely* of mud as reflected in the table below. A total of 17 districts (74%) in the province have at least one school that is constructed entirely of mud. This, according to the DBE, will have been remedied by the end of the 2014/15 financial year. In light of the progress and reporting against that progress up until now- this target appears overly ambitious.

Table 4: Numbers of schools constructed entirely of mud in the Eastern Cape per district ³⁹

DISTRICT	NUMBER OF MUD SCHOOLS	PERCENTAGE
Butterworth	21	14.8
Cofimvaba	4	2.8
Cradock	0	
Dutywa	16	11.3
East London	0	
Fort Beaufort	1	0.71
Graaff-Reinet	0	
Grahamstown	1	0.71
King Williamstown	4	2.8
Lady Frere	5	3.5
Libode	22	15.6
Lusikisiki	10	7.1
Maluti	14	9.9
Mbizana	1	0.71
Mount Fletcher	13	9.2
Mount Frere	5	3.5

³⁹ Figures extracted from 2012/13 Education Management Information Systems Database sourced from Eastern Cape Department of Education Infrastructure Unit. Electronic copies of district of statistics available from the PSAM.

Mthatha	3	2.1
Ngcobo	8	5.6
Port Elizabeth	0	
Queenstown	1	0.71
Qumbu	12	8.5
Sterkspruit	0	
Uitenhage	0	

It would be an understatement to say that the eradication of mud schools in the Eastern Cape is long overdue. In 2004, former president Thabo Mbeki announced that “by the end of this year (2004/05) we shall ensure that there is no pupil learning under a tree, mud school or any dangerous conditions that expose pupils and teachers to the elements”.⁴⁰ Following failure by the Department to meet eradication targets, the PSAM released a press statement surmising that the targets were “unlikely” to be met by 2009 (the shifted target).⁴¹ Mud schools still exist in 2013. Not surprisingly, the highest number of mud structures exist in the rural districts with the large majority of these being in Libode (16% as reflected in the table above). The districts of Butterworth and Libode together are where 30% of all schools made entirely of mud are located in the province.

There are contradictory statistics relating to progress in eradicating inappropriate structures in the country. In his 2013 State of the Nation Address President Zuma stated the following: “...with regard to social infrastructure, a total of 98 schools will have been built by the end of March, of which more than 40 are in the Eastern Cape that are replacing mud schools”.⁴²

Eastern Cape Premier Noxolo Kiviet then stated that there has been “...good progress in eliminating mud structures” and that “Schools constructed under the Accelerated Schools Infrastructure Development programme are *nearing* completion”.⁴³ According to the Premier, work was expected to begin in the 2013/14 financial year on “a new batch of 50 schools” following the completion of the current **49** schools targeted by the **ASIDI** programme.⁴⁴ The Education MECs 2013 Policy Speech recorded that within the “**ASIDI** basic services...**40** of

⁴⁰ Address of the President of South Africa, Thabo Mbeki, to the first joint sitting of the third democratic Parliament, Cape Town 21st May 2004. Available Online: <http://www.info.gov.za/speeches/2004/04052111151001.htm>

⁴¹ Fumba, L. 26th June 2007. PSAM Press Release: *Mud Structures Unlikely to be Eradicated by 2009*.

⁴² 14th February 2013. State of the Nation Address by His Excellency Jacob G. Zuma, President of the Republic of South Africa on the occasion of the Joint Sitting of Parliament, Cape Town. Available Online: <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=34250&tid=98676>

⁴³ 22nd February 2013. Speech of the Honourable Premier Noxolo Kiviet on the occasion of the State of the Province Address, Eastern Cape Legislature, Bhisho, Eastern Cape Province (emphasis added).

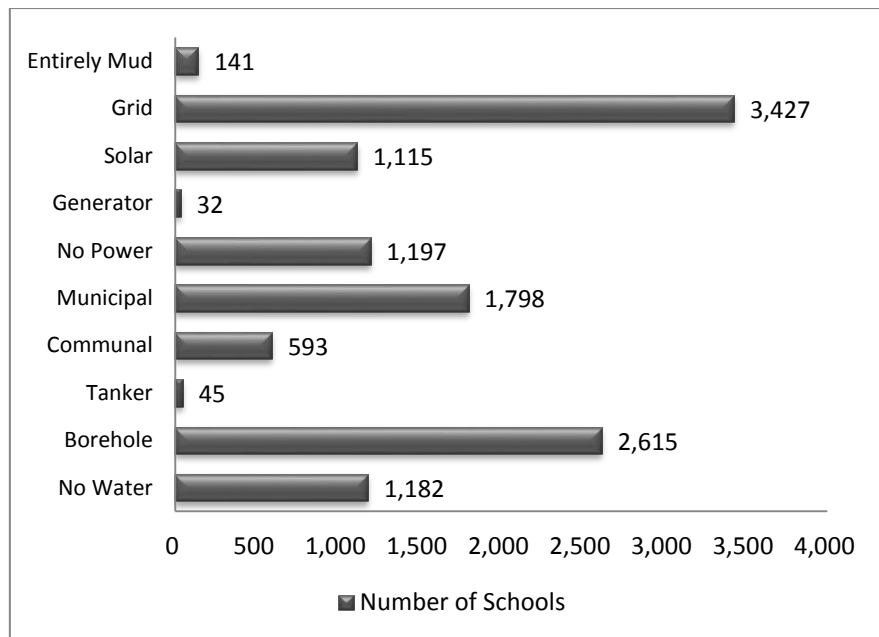
⁴⁴ 22nd February 2013. Speech of the Honourable Premier Noxolo Kiviet on the occasion of the State of the Province Address, Eastern Cape Legislature, Bhisho, Eastern Cape Province. (Emphasis added).

the original planned 50 mud schools have been completed. The remaining 10 schools will be completed by end of May 2013” (sic).⁴⁵

Table 5: Inappropriate School Structures in 2008/09 Source: DBE 21st August 2008⁴⁶

INAPPROPRIATE AND UNSAFE SCHOOLS STRUCTURES AS PER NEIMS					
PROVINCES	MUD	WOOD	METAL	PRE-FABRICATED	TOTAL
Eastern Cape	142	10	14	34	200
Free State	2	1	13	51	67
Gauteng	0	0	1	0	1
KwaZulu Natal	7	3	6	9	25
Limpopo	0	1	2	2	5
Mpumalanga	1	1	3	2	7
Northern Cape	0	0	0	6	6
North West	0	0	0	5	5
Western Cape	1	0	0	4	5
TOTAL	153	16	39	113	321

Figure 3: Inappropriate Schools Structures in the 2012/13⁴⁷



⁴⁵ 2013/14 Budget and Policy Speech, Vote 6, Education Eastern Cape Province Delivered by the MEC for Education and Training Honourable Mandla Makupula in the Provincial Legislature 20th March 2013. p. 7. (Emphasis added).

⁴⁶ Department of Basic Education Presentation to Treasury. Electronic PowerPoint presentation. 21st August 2008

⁴⁷ Information provided by the Eastern Cape Department of Education January 2013

Table 6: National Expenditure on Infrastructure⁴⁸

(R ' 000)	Initial Project Cost	Outcome			Main Appropriation 2012/13	Adjusted Appropriation 2012/13	Revised Estimate 2012/13	Medium-term estimate				Real Change between 2012 and 2013	Real Average Growth over MTEF
		2009/10	2010/11	2011/12				2013/14	2012/13	2014/15	2015/16		
School infrastructure backlogs indirect grant	48 030 590			76 084		2 065 000		1 955 981	-5.28	3 169 503	2 912 310	-14.41	0.16
Education infrastructure conditional grant	92 368 669	3 884 683	3 162 774	5 311 091		5 822 389		6 630 664	13.88	7 160 698	10 059 321	2.90	0.17
Technical schools recapitalisation conditional grant	2 973 186		80 000	210 518		209 369		220 852	5.48	233 482	244 222	-4.69	0.05
Total	143 372 445	3 884 683	3 242 774	5 597 693		8 096 758		8 807 497	8.78	10 563 683	13 215 853	-1.71	0.16

The table above reflects national expenditure and allocations for infrastructure. The line item “school infrastructure backlogs indirect grant” relates to the replacement of 496 inappropriate schools, the provisioning of water to 1257 schools, the electrification of 878 and provisioning of sanitation to 868 schools. These projects, according to the Department of Basic Education, are at various stages of completion. The “Education Infrastructure conditional grant” is set aside for the construction of new schools and additional spaces of learning such as science laboratories and libraries. This conditional grant also caters for the upkeep, renovation and rehabilitation of current schools structures. A total of R 6.63 billion has been allocated for this service delivery target in 2013/14. This accounts for 75% of the national infrastructure budget of R 8.81 billion. The budget for addressing backlogs accounts for 22% of the total infrastructure budget while the technical schools recapitalisation grant account for the remaining 3%.

⁴⁸ National Treasury Estimates of National Expenditure Vote 15: Basic Education. p. 5. Available Online: <http://www.treasury.gov.za/documents/national%20budget/2013/enebooklets/Vote%2015%20Basic%20Education.pdf>

Table 7: Eastern Cape Expenditure on Infrastructure

(R ' 000)	Outcome			Main Appropriation 2012/13	Adjusted Appropriation on 2012/13	Revised Estimate 2012/13	Medium-term estimate				Real Change between 2012 and 2013	Real Average Growth over MTEF
	2009/10	2010/11	2011/12				2013/14	% change from Adjusted Appropriation 2012/13	2014/15	2015/16		
New Infrastructure	484 678	218 205	143 890	778 980	644 441	716 653	865 330	34.28	968 769	1 612 896	21.33	7.65
Existing Infrastructure Assets	408 260	86 427	519 290	235 789	379 702	207 867	442 902	16.64	307 727	97 188	5.40	-10.55
Upgrades and additions	171 162	13 973	30 825	72 244	180 631	79 657	188 271	4.23	226 979	35 613	-5.82	0.66
Rehabilitation, renovations and refurbishment	176 035	68 430	26 878	78 522	104 048	56 416	86 449	-16.91	14 391	7 602	-24.93	-15.13
Maintenance and Repairs	61 063	4 024	461 587	85 023	95 023	71 794	168 182	76.99	66 357	53 974	59.93	-24.59
Infrastructure Transfers												
Current												
Capital												
Current infrastructure	61 063	4 024	461 587	85 023	85 023	71 794	168 182	97.81	83 309	75 205	78.74	-24.59
Capital infrastructure	831 875	300 608	201 593	929 746	929 746	852 726	1 140 050	22.62	1 193 187	1 634 879	10.80	5.12
Total Departmental Infrastructure	892 938	304 632	663 180	1 014 769	1 024 143	924 520	1 308 232	27.74	1 276 496	1 710 084	15.42	2.20

As has been the trend over the years, the bulk of the budget will be allocated to address new infrastructure projects (see Table 7). The highest projected growth over the MTEF is also expected for new infrastructure as reflected in the real average growth of 7.65%. The budget is therefore projected to increase from R 865.3 million in 2013/14 to R 1.61 billion in 2015/16.

The Department under spent on the main appropriation of R 95 million in the 2012/13 budget for maintenance and repairs by R 23.2 million as reflected in the table above. It is a fact that hardly needs highlighting that maintenance problems that remain unattended will merely increase the pressure on the infrastructure budget in years to come as those schools gradually fall into states of greater disrepair.

The 2013/14 allocations for upgrades and renovations as well as for the rehabilitation of buildings both reflect decreases when compared to the 2012/13 adjusted appropriations. The maintenance budget, however, sees a staggering 77% nominal increase. This is likely an effect of the under expenditure in 2012/13 and is also in recognition of the perennial need for daily and large scale maintenance and repairs. Over the MTEF, the budget of R 168 million in 2013/14 decreases to a mere R 54 million in 2015/16. This equates to a decrease of 25% in real terms. Thus the 2015/16 maintenance budget is lower than it was even in 2009/10 (see above). In light of the need to commit to an improved maintenance plan, the planned increase in new infrastructure as well as the existing maintenance backlogs, this budget is unlikely to meet future maintenance needs.⁴⁹

It is especially important that the Provincial Department adhere to the norms relating to annual allocations to maintenance of infrastructure so as to avoid unnecessary losses due to poorly planned and haphazard maintenance procedures as has been the trend. There is a dire need for the Department to institutionalise best practice in the upkeep of all its buildings and fixed assets and of schools in particular.

It is unclear from the *national* estimates of revenue expenditure what the allocation specifically dedicated to maintenance and repairs is as this is categorised in the larger education infrastructure conditional grant. It is also not clear what the overall expenditure was over the previous financial year (see Table 7). It is especially concerning to note the decrease in the overall national budget for infrastructure in real terms of 1.71%. This may be attributable to previous under expenditure on infrastructure projects resulting in the reprioritisation of funds.

In compiling this budget analysis, a concerted search for concrete and up to date financial reports relating to the status of the various (inappropriate infrastructure eradication) projects yielded little by way of quantitative, coherent information. Table 5 and Figure 3 (page 17) further highlight the discordant information. The 2008 figures state that there were 142 mud schools in the Eastern Cape at that time (Table 5) while Figure 3 outlines the existence of 141 mud schools. This implies that between 2008 and 2012, the Department only managed to eradicate one mud school or alternatively that the quantification of mud schools in 2008 was incomplete. It is not unlikely that this lack of coherence in infrastructure plans and statistics even in a single programme will have negative consequences on expenditure throughout the Department. This is especially significant in core programmes such as compensation of employees and infrastructure.

⁴⁹ Eastern Cape Department of Education Annual Performance Plan 2013/14 30th March 2013 p.37.

There is an acknowledgement of a significant maintenance backlog in the Department's 17 year history. The Annual Performance Plan reports the cost of the backlogs owing to insufficient budgeting between R 5 billion and R 10 billion.

Figure 4: Utilisation of Schools Space in the Eastern Cape by School Type and Phase⁵⁰

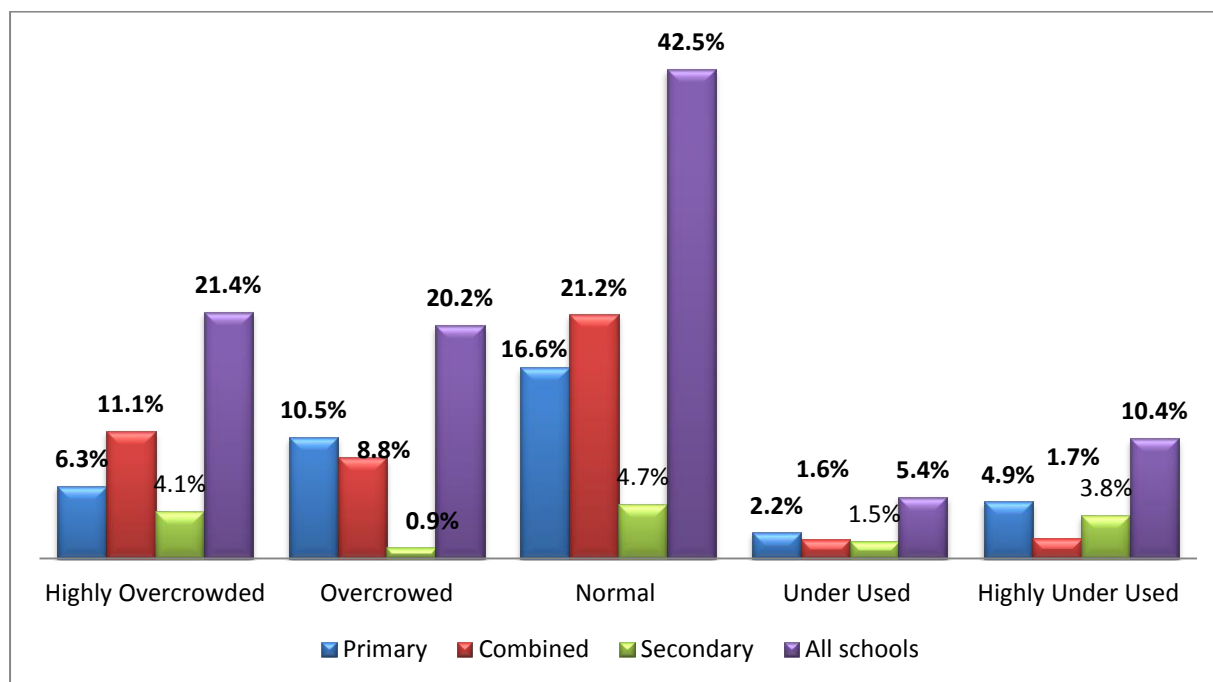


Figure 4 above depicts overall usage of space per school type and overall in the province. The current budget caters for the replacement of inappropriate structures as well as various maintenance projects. While there is clear quantification of the over crowding and under use at schools, the Department is noticeably quiet on the budgetary implications of this situation. The DBE and ECDoE must contend with the creation of a sustainable infrastructure provisioning plan with the requisite budgetary allocation to reducing constraints in overcrowded and highly overcrowded schools which account for 41.6% of all schools in the province.

This situation is far from ideal and must be attended to as this will have adverse implications for the maintenance and longevity of current infrastructure. This, as has been illustrated is an area in which the Department already struggles significantly. A thorough audit of the total cost to the Department emanating from under utilised schools in terms of personnel and operational costs is recommended. Of still greater concern is the implications for teaching and learning. In cases where teaching and learning occurs under conditions of over crowdedness and poor infrastructure, there is added strain on educators and learners alike. It is recommended that the Department should present a succinct plan to address underutilised schools which also add pressure to an already strained, poorly managed budget in the Public Ordinary School Programme.

⁵⁰ The categories used are those identified by the ECDoE and relate to the population of schools/class rooms in relation to optimum numbers for teaching and learning as well as in the optimum use of space and resources including educators. The ideal category in this case is 'normal'.

ⁱ Eastern Cape Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/EC/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/WC%20-%20Vote%2005%20-%20Education.pdf>

Free State Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/FS/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/FS%20-%20Vote%2006%20-%20Education.pdf> p. 230

Kwazulu-Natal Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/KZN/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/KZN%20-%20Vote%2005%20-%20Education.pdf> p. 210

Limpopo Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/LIM/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/LIM%20-%20Vote%2003%20-%20Education.pdf> p.58

Mpumalanga Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/MPU/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/MPU%20-%20Vote%2007%20-%20Education.pdf> Page 249

Northern Cape Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/NC/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/NC%20-%20Vote%2004%20-%20Education.pdf> pages not numbered

North West Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/NW/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/NW%20-%20Vote%2008%20-%20Education%20&%20Training.pdf> page 342

Western Cape Department of Education Estimates of Provincial Revenue and Expenditure 2013/14: <http://www.treasury.gov.za/documents/provincial%20budget/2013/4.%20Estimates%20of%20Prov%20Rev%20and%20Exp/WC/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/WC%20-%20Vote%2005%20-%20Education.pdf> page 164