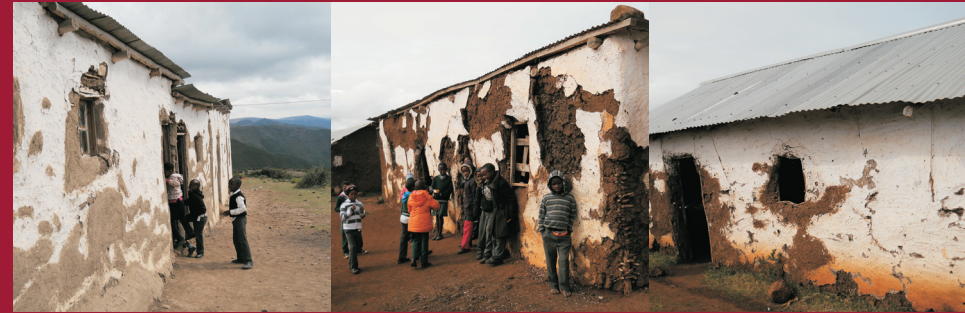




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A review of school infrastructure
spending and delivery

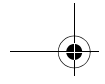
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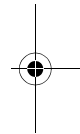
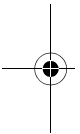


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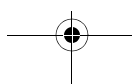
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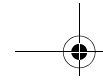


Written by Carmen Abdoll and Conrad Barberton
Economists with Cornerstone Economic Research
Commissioned by the Centre for Child Law, University of Pretoria
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Mud to bricks: A review of school infrastructure spending and delivery

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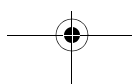
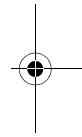
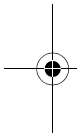


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FOREWORD

Zinathi is a student at Tembani Junior Primary, one of South Africa's many 'mud schools'. In wet weather, Zinathi and her classmates can't get to school unless they use planks as a bridge. 'As my dream to change our lives depends on going to school, it upsets me when we can't do that' says Zinathi. She hopes that things will get better now as her school is one of the mud schools that the government has promised to replace.

These words are taken from the Globe magazine, 2012. The promise mentioned was made in February 2011 when an out of court settlement was reached in which government undertook to spend R 8.2 billion over three years. The 'Mud Schools' case was hailed as a victory, but then the real work had to start. Tembani Junior Primary is one of the schools that has been replaced, bringing Zinathi closer to the realisation of her dreams. However progress has been slow and many inappropriate structures are still the places of learning for many thousands of learners.

The Centre for Child Law commissioned this study by Cornerstone Economic Research, to track school infrastructure spending and delivery. The report, written by Carmen Abdoll and Conrad Barberton, makes the concerning finding that the national Department of Basic Education has woefully underspent the School Infrastructure Backlog grant for two years running. In 2011/2012 spending was a little over 10 per cent and only at 23 per cent in 2012/2013 at the end of the third quarter. The ASIDI target for the number of schools to be built in 2011/2012 and 2012/2013 was 49. However, only 10 had been completed by the end of the first year. They predict that if the DBE continues at the same delivery rate, a realistic timeframe for the eradication of schools with inappropriate structures is probably 2023/24. They make recommendations which, if followed, could shorten the delay significantly.

This study shows the importance of monitoring and evaluating progress against court orders and out of court settlements, to ensure that the right to a basic education is made real.

Professor Ann Skelton

Director: Centre for Child Law

UNESCO Chair: Education Law in Africa

ACKNOWLEDGMENTS

The Centre for Child Law is grateful to Carmen Abdoll and Conrad Barberton of Cornerstone Economic Research for their tireless research and drafting of this report. The Centre is also grateful to stakeholders who generously shared their knowledge and experiences.

EXECUTIVE SUMMARY

Dilapidated public school infrastructure can be found across the country, but the problem is particularly acute in the Eastern Cape where the majority of the so-called 'mud schools' are located. On 4 February 2011, following court action on the issue of mud schools, the Legal Resources Centre, acting on behalf of 7 schools and the Centre for Child Law, concluded a landmark settlement with the national Department of Basic Education (DBE) in which the department committed to spend R8.2 billion from 1 April 2011 to 1 March 2014 to eradicate mud schools and improve infrastructure of schools throughout South Africa.

These funds were located within a newly created School Infrastructure Backlogs Grant (SIBG) in the 2011/12 Medium Term Expenditure Framework (MTEF). Also in the 2011/12 MTEF, the government restructured the Infrastructure Grant to Provinces (IGP) to create a dedicated Education Infrastructure Grant (EIG).

The DBE publishes a range of information relating to school infrastructure. However,

1. The DBE very seldom publishes time-series information on school infrastructure (or any other education related issues). This is an obstacle to analysing trends. It also raises questions as to whether the DBE itself is analysing such trends on an ongoing basis.
2. It appears that the DBE and the Provincial Education Departments (PEDs) are not reporting on key information relating to school infrastructure:
 - (a) There is no regular reporting on the number of schools and classrooms that were built and taken into use each year.
 - (b) There is no reporting on the number of schools (and classrooms) that were closed each year.
 - (c) There is no recent information on the number of classrooms.
 - (d) There are no area-based lists of school/classroom infrastructure backlogs as required by the national funding norms and standards.
3. There are inconsistencies in the information reported. For instance, the DBE published three documents presenting information on the number of public ordinary schools that existed in 2009: each document gives a different figure. This is strange as schools are buildings and institutions established by Government Gazette; how is it that the PEDs do not seem to have accurate and current registers of them?
4. Despite the critical importance of school infrastructure, the DBE does not publish a dedicated annual analysis of the status of school infrastructure reflecting progress made in addressing backlogs and setting out future plans.

The aim of this paper is to explore trends in school infrastructure spending and delivery in order to assess what progress has been made in addressing the issues that gave rise to these grants.

What is the school infrastructure backlog and what progress has been made in reducing it?

- There have, until recently, not been any norms and standards for school infrastructure. There has also been an absence of reliable information on existing school infrastructure. This has resulted in it being impossible to work out what the school infrastructure backlog is.
- The school infrastructure backlog needs to be broken down into the following components:
 - Backlog in schools – namely, providing access in underserved areas
No recent information, it changes due to the impact of migration
 - Backlog in inappropriate school structures
Four numbers have been given: 396, 492, 496 and 510 (most recent)
 - Backlog in classrooms – specifically dealing with the challenges of overcrowding
Estimated between 15 000 and 33 000 in 2006, but the information base is poor
 - Backlog in basic services
Various, but generally very large
 - Backlogs in school furniture, such as desks and chairs
(this was not the focus of the study – but there are problems)
 - Backlogs in specialised facilities such as libraries, science labs, computer labs, fences and sporting facilities
(these were not the focus of this study – but they are very large)
 - Backlog in maintenance of existing infrastructure
No recent information, but information from 2006 indicates a very large number of schools are in a poor to very poor state
- Available information indicates that backlogs in all these areas are substantial, but that progress is being made to address the first five of them. There is evidence, however, that backlogs in maintenance are worsening.

Who is responsible for the management of the different funding streams for school infrastructure?

- Primary responsibility for budgeting for the provision of school infrastructure rests with the provinces. They are also responsible for managing the spending of such funds, but often use agents, such as the public works departments, to do so.
- National government, through the IGP and now the EIG, has allocated (and continues to allocate) substantial conditional grant funding to provinces to assist with the provision of school infrastructure. These funds are managed by the PEDs, the DBE is supposed to exercise oversight of them (but does so ineffectively).
- National government, through the SIBG, is allocating substantial conditional grant funding to eradicate inappropriate school structures and address backlogs in basic services. This grant is managed directly by the DBE, which has appointed a number of agents to assist it, including the DBSA, Mvula Trust, Eskom and a number of PEDs.

How have the funds available for school infrastructure been spent?

- Generally, the PEDs' spending of school infrastructure budgets has been good, with the exception of the Eastern Cape and more recently Limpopo.
- The big concern is the DBE's ability to spend the SIBG, where spending in 2011/12 was a little over 10 per cent and around 41,6 per cent in 2012/13.

What are the reasons for any under spending of funds?

- The primary reason for the Eastern Cape PED not being able to spend its allocated budgets for infrastructure seems to be a severe understaffing of its infrastructure unit and poor planning. In 2011/12 the DBE seconded a number of officials to the unit and spending improved substantially.
- The DBE's underspending of the SIBG is due to poor capacity within the Department to manage an infrastructure programme of this size. The Department does not have past infrastructure planning and management experience. As a result, there were delays in appointing agents to manage the work. There have also been challenges with the implementation of the actual contracts, with further delays being caused by poor initial planning, bad weather and certain contractors being declared bankrupt.
- The lack of capacity within the DBE at the time the grant was introduced raises questions about Cabinet's decision to make the Department responsible for a new infrastructure programme of this magnitude.

What is a realistic timeframe for clearing the backlog in school infrastructure, given the current levels of funding and existing school infrastructure plans?

- There are indications in the 2013 Budget Review that national government has tentatively allocated R48 billion to the SIBG and R92 billion to the IEG, to be released over the next number of years subject to the availability of funds and the ability of the education sector to spend the funds. It would seem that funding is currently not a constraint.
- A realistic timeframe for the eradication of schools with inappropriate structures, is probably 2023/24 given current delivery rates. This could change if pressure is brought to bear on the DBE to structure contracts in such a way as to attract the big construction companies to either do the work directly or to manage the sub-contracting. This would allow for the inclusion of penalty clauses in the contracts for non-delivery. Something that is not possible with DBSA. Doing this could bring the end date forward to 2015/16.

Please note that the figures reflected in this report are as of November 2013.

LIST OF ABBREVIATIONS

Adult Basic Education and Training	ABET
Accelerated Schools Infrastructure Delivery Initiative	ASIDI
Department of Basic Education	DBE
Development Bank of Southern Africa	DBSA
Early Childhood Development	ECD
Education Infrastructure Grant	EIG
Education Management Information System	EMIS
Infrastructure Grant to Provinces	IGP
National Education Infrastructure Management System	NEIMS
Medium Term Expenditure Framework	MTEF
Member of the Executive Committee	MEC
Provincial Education Department	PED
Progress in International Reading Literacy Study	PIRLS
School Infrastructure Backlogs Grants	SIBG
The Southern and Eastern Africa Consortium for Monitoring Educational Quality	SACMEQ
School Register of Needs	SRN
Trends in International Mathematics and Science Study	TIMSS

1. INTRODUCTION

Despite the government investing significant amounts in education over the past two decades,¹ education quality remains poor on average and uneven across provinces and population groups. South Africa's performance in international tests (Progress in International Reading Literacy Study (PIRLS) and Trends in International Mathematics and Science Study (TIMSS)) and regional surveys (The Southern and Eastern Africa Consortium for Monitoring Educational Quality (SACMEQ)) reflects that a large percentage of learners do not obtain even basic literacy and numeracy standards.

Current policy to address problems in the education sector is focussed on improving the functioning of the education system, mainly through procedural reforms and easing of resource constraints in specific areas – including school-related infrastructure.

Dilapidated school infrastructure can be found across the country, but the problem is particularly acute in the Eastern Cape where the majority of the so-called 'mud schools' are located.² On 4 February 2011, following court action on the issue of mud schools,³ the Legal Resources Centre, on behalf of 7 Eastern Cape schools and the Centre for Child Law, concluded a landmark settlement with the national Department of Basic Education (DBE) in which the DBE committed to spend R8.2 billion from 1 April

1 In 2010, total public expenditures on educational institutions and administration amounted to 5,9% of GDP, above the OECD average of 5,4% of GDP.

2 Legal Resources Centre 'Mud Schools', available at: <http://www.lrc.org.za/mud-schools> (accessed 10 February 2014).

3 See *Centre for Child Law and 7 Others v Government of the Eastern Cape Province* Eastern Cape High Court, Bisho, case no 504/10.

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2011 to 1 March 2014 on eradicating mud schools and improving infrastructure of schools throughout South Africa.⁴

The Memorandum of Agreement indicates that the R8.2 billion was to be structured as follows:

- R700 million for the 2011/12 financial year;
- R2.3 billion for the 2012/13 financial year; and
- R5.1 billion for the 2013/14 financial year.

The above funds were located within a newly created School Infrastructure Backlogs Grant (SIBG) in the 2011/12 Medium Term Expenditure Framework (MTEF). Also in the 2011/12 MTEF, the government restructured the Infrastructure Grant for Provinces (IGP) to create a dedicated Education Infrastructure Grant (EIG). This paper examines the performance of these two grants since commencement and reviews information on the related infrastructure outputs. It also looks at other funding allocations to school infrastructure. The paper seeks to answer the following questions:

- What is the school infrastructure backlog and what progress has been made in reducing it?
- Who is responsible for the management of the different funding streams for school infrastructure?
- What funding is available for school infrastructure development?
- How have the funds available for school infrastructure been spent?
- What are the reasons for any underspending of funds?
- What is a realistic timeframe for clearing the backlog in school infrastructure given the current levels of funding and existing school infrastructure plans?

4 Included in the agreement was also an undertaking by the DBE to construct permanent buildings for the seven schools in the Libode district which were also applicants in the court case, as well as to provide these schools with basic services. In addition, the Eastern Cape PED undertook to provide the schools with temporary prefabricated classrooms, water tanks and sufficient desks and chairs.

PART 1

STATUS OF SCHOOL INFRASTRUCTURE

The public school education system in South Africa is characterised by large disparities in the distribution and quality of education infrastructure as a result of the policies of the apartheid regime. There is no question that government policies prior to 1994 led to significant backlogs in school infrastructure in particular regions and, specifically, for black learners. However, nearly 20 years into the new democracy, it would be reasonable to expect that the worst examples of inequality would have been addressed; that children would not be learning under trees or in conditions that are dangerous or completely dysfunctional.

2. RESPONSIBILITY FOR SCHOOL INFRASTRUCTURE PLANNING

The Constitution of the Republic of South Africa, 1996 (the Constitution) lists 'education at all levels, excluding tertiary education' in Part A of Schedule 4. This means that national and provincial government have concurrent legislative competence with regard to primary and secondary school education.⁵ Section 146 of the Constitution sets out conditions that national legislation needs to meet in order to prevail over provincial legislation dealing with a matter in Schedule 4. Amongst the conditions is the requirement that 'the national legislation deals with a matter that, to be

5 See sections 44 and 104 of the Constitution.

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dealt with effectively, requires uniformity across the nation, and national legislation provides that uniformity by establishing (i) norms and standards, (ii) frameworks or (iii) national policies’.

In other words, the provinces are primarily responsible for Schedule 4 functions, such as education, with national government setting norms and standards, frameworks and national policies. National government is also responsible for exercising oversight of provinces’ performance, and may intervene in a province when there is failure ‘to fulfil an executive obligation in terms of the Constitution or legislation’.⁶

So with regard to school infrastructure, the division of roles and responsibilities is (or should be) as follows:

- (1) National government, acting through the Minister of Basic Education and the DBE, is responsible for:
 - (a) providing leadership to the education sector, which includes developing strategies to address the backlogs in school infrastructure;
 - (b) developing national norms and standards, frameworks and national policies related to the nature, planning, funding, provision, maintenance and use of school infrastructure;
 - (c) building the capacity of Provincial Education Departments (PEDs) to fulfil their responsibilities with regard to the planning, provision and the like, of school infrastructure;
 - (d) managing and exercising oversight of the use of any conditional grants for funding school infrastructure in accordance with the requirements of the annual Division of Revenue Act;
 - (e) monitoring PEDs’ compliance with the abovementioned school infrastructure norms and standards, frameworks and national policies; and
 - (f) if necessary, intervening in provinces when they fail to fulfil an executive obligation, such as failure to implement a national policy or national norms and standards related to school infrastructure.
- (2) Provincial governments, acting through their respective MECs for Education and PEDs, are responsible for:
 - (a) analysing the demand for and planning the provision of school infrastructure;
 - (b) representing the education sector in the provincial budget processes and making credible bids for budgets;

⁶ See section 100 of the Constitution.

- (c) funding the provision of school infrastructure;
- (d) managing the building, refurbishment and maintenance of school infrastructure, which includes maintaining a comprehensive asset register of school infrastructure;
- (e) managing the spending of conditional grants from national government for funding the provision of school infrastructure in accordance with the requirements of the annual Division of Revenue Act;
- (f) monitoring the use of school infrastructure by schools; and
- (g) reporting to the DBE on specified matters related to school infrastructure.

The primary responsibility of provinces with regard to planning and funding the provision of school infrastructure is confirmed by the 1998 National Norms and Standards for School Funding (as amended in 2006), issued in terms of the South African Schools Act 84 of 1996.⁷

The relevant sections under the heading 'Scenario planning for new school construction' read as follows:

86. The MEC for Education of each province must ensure that there are enough school places to enable each child living in the province to attend school during the compulsory phase (section 3(3) of the Act). If an MEC cannot comply with this mandate, he or she must take steps to remedy the situation and must report annually to the Minister of Education on progress made (section 3(4) of the Act).

88. Despite the current shortage of funds for capital development, as an aid to planning and decision-making, each PED must:

- (a) Maintain an accurate, prioritised, annually updated database of school construction needs, and
- (b) undertake annually updated long-term projections of new school construction targets and funding requirements, based on these norms.

90. The scenario planning should initially estimate the requirements to eliminate backlogs and provide sufficient school places by the target year 2008. This must form part of the analytical work required for the MTEF, and should be adjusted annually in the light of new data and performance in new school construction. Depending on the availability of funds each year, and construction performance, the plan may require acceleration or deceleration.

⁷ National Norms and Standards for School Funding, GN 2362, GG 19347, 12 October 1998; Amended National Norms and Standards for School Funding, GN 869, GG 29179, 31 August 2006 sections 72-77 & section 85

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It is notable that in 1998 the national government required PEDs to plan for the elimination of backlogs and the provision of sufficient school places by 2008.⁸ Needless to say, this target was missed, and still has not been achieved by most provinces five years later.

The norms and standards require the PEDs to prepare a 'target list' of schools or areas that need to be prioritised in the allocation of funds for school infrastructure. The relevant sections read as follows:

78. The construction of new schools or additional classrooms and learning facilities should be targeted to the neediest population. In this expenditure category, "need" is defined in terms of

- (a) lack of current schools, or
- (b) overcrowding of existing ones.

79. No national norm for "crowding" is given in this document. Each PED must objectively determine where to site new schools and classrooms based on provincial norms and verifiable crowding and distance indicators (need indicators) developed from available data, including the School Register of Needs, Census data, and the department's own EMIS. Wherever possible, PEDs must aim to eliminate under-utilisation of physical space occurring concurrently with overcrowding, and must therefore also determine minimum per classroom occupation levels below which schools will be considered under-utilised.

80. Need indicators should refer to the proportion of children who are out of school or are in over-crowded schools. Preference should be given to areas where:

- (a) children are out of school and there is no uncrowded local or nearby school; or
- (b) all eligible children are enrolled in school but the local or nearby schools are crowded; and
- (c) an analysis of population movements demonstrates that the population concerned is resident and permanent.

81. Using these criteria, the PEDs must develop a ranking of geographical areas from neediest to least needy, based on the numbers of children out of school or in existing crowded schools. Backlogs must be eliminated by starting with the neediest, most crowded areas, and proceeding as quickly as possible down the list of priorities.

8 In 2006 an amended version of the 1998 norms were published, but this target date was not changed.

82. In the allocation of new school construction funds, preference must be given to:

- (a) facilities serving the compulsory education grades (grades 1-9) in order to ensure that all eligible learners have school places as soon as possible, and
- (b) extensions to existing schools, rather than new schools, except where extensions would result in schools that are too large to be pedagogically sound, or would otherwise be uneconomical, impractical, or undesirable on educational grounds.

These sections place specific obligations on PEDs to:

- plan for school infrastructure;
- maintain backlog lists that rank geographical areas/schools according to need;
- prioritise the building of new schools or classrooms 'starting with the neediest, most crowded areas'; and
- report annually to the Minister of Education on progress made in eliminating the backlogs.

It is evident that in 1998 there was an intention and a potential plan to ensure that the PEDs worked systematically to eliminate backlogs in school infrastructure. However, when reviewing education infrastructure since then, it is apparent that most PEDs have failed to comply, and the DBE has failed to enforce compliance with these national norms and standards and the envisaged process.

On 29 November 2013 the DBE published regulations in the government gazette relating to minimum norms and standards for public school infrastructure.⁹ The objectives of the regulations are to provide minimum uniform norms and standards for public school infrastructure; to ensure that there is compliance with the minimum uniform norms and standards in the design and construction of new schools and additions, alterations and improvements to schools which exist; and to provide for timeframes with which school infrastructure backlogs must be eradicated.

⁹ Minimum uniform norms and standards for public school infrastructure, GG 37081, 29 November 2013.

3. SOURCES OF INFORMATION ON SCHOOL INFRASTRUCTURE

The following table lists the main sources of information on school infrastructure:

Table 1: Sources of information on school infrastructure

Publication	Source of information	Frequency	Last published	Available	Overview
National Assessment Report - Public Ordinary Schools	School Registry of Needs & NEIMS	1996, 2000, 2006	2007	DBE website	Breakdown of sites across provinces; learner numbers etc.
Education Statistics in South Africa	SNAP survey	1999-2011	2013	DBE website	Overview of the education system in South Africa. Information regarding ordinary public and independent schools. Learners, educators and schools, staff complement and national senior examination. Information from other sectors such as ECD and SNE.
School realities	EMIS	2005-2013	2013	DBE website	Shortened version of Education Statistics in South Africa report
School infrastructure report	EMIS	2009 & 2011	2011	DBE website	Number of ordinary schools and basic service backlogs

It would seem that the most current source of information on school infrastructure is the Education Management Information System (EMIS). The latest EMIS report was published in 2013: it reports on data collected in 2011 (although the 2012 School Realities report presents information for 2012).

The National Assessment Report provides information collected by the School Register of Needs (SRN) survey as well as data captured in the National Education Infrastructure Management System (NEIMS). The first SRN was conducted in 1996 and formed the basis for the first database that included every school in the country, indicating geographical location, the condition of buildings and the facilities available. The survey was repeated in 2000 and 2006. The National Assessment Report was last published in 2007 (the survey was conducted in 2006).

The 2000 SRN survey collected data on public and independent ordinary schools and schools for learners with special education needs. The 2006 SRN survey limited its scope to public ordinary schools and included Early Childhood Development (ECD) and Adult Basic Education and Training (ABET) centres.

The DBE also publishes the National Education Statistics and the shortened School Realities report yearly (going back to 1999 and 2005 respectively).

Evaluation of the published sources of information on school infrastructure

- (1) The DBE has recently started to publish information on school infrastructure more regularly, and the time period between when the information is gathered and when it is published has decreased.
- (2) However, while the information is being published more regularly, it is less detailed. In recent years the DBE has started publishing an increasing number of pictures of completed infrastructure projects, rather than providing detailed information on the school infrastructure backlog itself.
- (3) The DBE very seldom publishes time-series information on school infrastructure (or any other education-related issues). Generally, each publication provides a 'snapshot' in time. To compile a time-series one needs to source the information from various documents, which raises questions about the consistency of the data. This is a real obstacle to analysing trends. It also raises questions as to whether the DBE itself is analysing such trends on an ongoing basis.
- (4) It appears that the DBE and the PEDs are not reporting on key information relating to school infrastructure:

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- (a) there is no regular reporting on the number of schools and classrooms that were built and taken into use each year;
- (b) there is no reporting on the number of schools (and classrooms) closed each year;
- (c) there is no recent information on the number of classrooms; and
- (d) there are no area-based lists of school/classroom infrastructure backlogs as required by the national funding norms and standards.

(5) There are inconsistencies in the information reported. For instance, the DBE published three documents presenting information on the number of public ordinary schools that existed in 2009: each document gives a different number – 24 460,¹⁰ 24 699¹¹ and 24 693.¹² One can understand that there is uncertainty about the precise number of learners or teachers in the education system: learner and teacher numbers can change from one day to the next. But schools are buildings and institutions established by Government Gazette. How is it, therefore, that the PEDs do not seem to have accurate and current registers of them?

(6) Despite the critical importance of school infrastructure, the DBE does not publish a dedicated annual analysis of the status of school infrastructure, including progress being made in addressing backlogs and setting out future plans.

(7) Most of the information available on school infrastructure is in PDF and Word format, rather than Excel. This makes compiling information very difficult, and is an obstacle to analysis.

3.1 Number of public ordinary schools

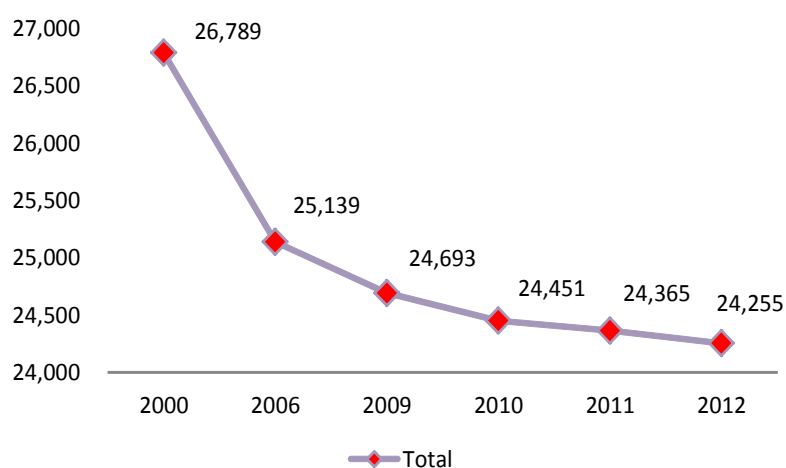
The DBE defines an ordinary school as a school that is not a special school. The PEDs are responsible for all public ordinary schools, as opposed to the independent ordinary schools, which are privately owned and managed.

Public ordinary schools consist of primary schools, secondary schools, combined schools and intermediate schools, and may vary in size from a small farm school catering for, say, 30 learners to a large school with over 2 000 learners.

10 2009a data from 'NEIMS (National Education Infrastructure Management System) PDF Report 2009'.

11 2009b data from Department of Basic Education 'Education Statistics in South Africa 2009' (November 2010).

12 2009c data from '2009 School Realities' (September 2009).



Sources: 2000 data from Department of Education 'Education Statistics at a Glance in 2000' (February 2002)

2006 data from Department of Education 'Education Statistics in South Africa 2006' (February 2008)

2009-12 data from School Realities (2009-2012)

Figure 1: Number of public ordinary schools 2000-2012

Figure 1 shows that the total number of public ordinary schools has decreased by 2 534 schools between 2000 and 2012. However, these figures hide the number of new schools built in each province, as well as the number of schools that have been closed. They simply show the net change in the number of schools over the period.

Table 2: Total number of public ordinary schools – 2000-2012 shows the number of public ordinary schools by province and the net change in the number of schools between 2000 and 2012, as well as between 2009 and 2012.

Table 2: Total number of public ordinary schools – 2000-2012

	2000	2006	2009	2010	2011	2012	Net change	
							2000-12	2009-12
Eastern Cape	6 178	5 780	5 668	5 588	5 589	5 558	-620	-110
Free State	2 538	1 751	1 547	1 422	1 371	1 351	-1 187	-196
Gauteng	1 905	1 998	1 970	2 013	2 040	2 045	140	75
KZN	5 693	5 776	5 907	5 927	5 957	5 955	262	48
Limpopo	4 138	3 992	3 988	3 965	3 931	3 935	-203	-53
Mpumalanga	2 053	1 984	1 844	1 838	1 821	1 807	-246	-37
Northern Cape	486	607	600	597	591	560	74	-40
North West	2 294	1 799	1 716	1 646	1 614	1 591	-703	-125
Western Cape	1 504	1 452	1 453	1 455	1 451	1 453	-51	-
Total	26 789	25 139	24 693	24 451	24 365	24 255	-2 534	-438

Sources: 2000 data from *Education Statistics at a Glance in 2000*, Department of Education (February 2002)

2006 data *Education Statistics in South Africa 2006*, Department of Basic Education (February 2008)

2009-12 data from *School Realities (2009-2012)*

Between 2000 and 2012 the number of public ordinary schools in:

- The Free State declined by 47 per cent (specifically 1187 schools)
- The North West declined by 31 per cent (specifically 703 schools)
- Mpumalanga declined by 12 per cent (specifically 246 schools) and
- The Eastern Cape declined by 10 per cent (specifically 620 schools)

In the absence of any explanation from either the DBE or the PEDs for these dramatic decreases in the number of schools, it is assumed that in most instances small schools were rationalised and merged to form larger schools. Some of this would have been driven by rural-urban migration. However, there is also an on-going policy to close (rationalise) small schools – which mainly affects rural areas. This raises serious questions about the declining accessibility of schools for learners in rural areas. Has the rationalisation of small schools been overdone, forcing children to travel long distances or even into boarding school? Also, if closing a small school means having to provide transport for 60 learners to the next school, as opposed to paying three educator's transport to the original school, are there any cost savings?

Gauteng, KwaZulu-Natal and the Northern Cape experienced net increases in the number of schools between 2000 and 2012.

The table shows that six of the nine provinces have continued to close a large numbers of schools during the period 2009 to 2012, with the net number of closures in this period coming to 561 schools. While there has been court action¹³ and much media coverage¹⁴ of the closure of 27 schools (later reduced to 20) in the Western Cape in 2012, there has been very little coverage of the 196 schools closed in the Free State, the 125 closed in the North West and the 110 closed in the Eastern Cape since 2009.

In May 2013 it was reported in the media that the HOD of Education in the Eastern Cape envisaged that up to half of the province's schools could be closed as learner numbers are falling. It was reported that the provincial department's 2013 SNAP Survey showed that 50 per cent of schools in the Eastern Cape have fewer than 100 pupils, and sometimes fewer than 50.¹⁵

3.2 Number of classrooms in public ordinary schools

While the number of schools is important from the perspective of ensuring education is accessible to all communities, the total number of classrooms and the geographic distribution of classrooms is a far more critical determinant of learning conditions. There may be three schools in an area comprising of seven classrooms each, but the actual need in the area is for 35 classrooms to ensure there is no overcrowding between the schools.

Despite information on classroom numbers being critically important to evaluating education quality, the only information on classroom numbers that we located dates from 1996 and 2000. The following table presents information on the number of permanent and prefabricated classrooms in use in 1996 and 2000 by province.

13 More information regarding the legal action brought by Equal Education can be found at the following link: <http://www.equaleducation.org.za/campaigns/other-campaigns> (accessed 10 February 2014).

14 Western Cape to close 20 Schools' *Sowetan* 16 October 2012.

15 'Half of EC schools could shut' *Dispatchonline* 9 May 2013, available at: <http://www.dispatch.co.za/half-of-ec-schools-could-shut/> (accessed 10 February 2014).

14 *Mud to bricks: A review of school infrastructure spending and delivery***Table 3: Permanent classrooms and prefabricated classrooms in 1996 and 2000 by province**

	1996				2000			
	Total class-rooms	Perma-nent class-rooms	Prefab class-rooms	Prefab class-rooms as % of all class-rooms	Total class-rooms	Perma-nent class-rooms	Prefab class-rooms	Prefab class-rooms as % of all class-rooms
Eastern Cape	40 489	35 178	5 311	0.13	49 112	40 145	8 967	18,30%
Free State	20 583	19 764	819	0.04	22 522	21 153	1 369	6,10%
Gauteng	41 721	38 631	3 090	0.07	45 932	42 033	3 899	8,50%
KZN	58 423	56 587	1 836	0.03	66 805	64 183	2 622	3,90%
Limpopo	38 958	37 935	1 023	0.03	43 077	41 771	1 306	3,00%
Mpumalanga	19 996	18 543	1 453	0.07	17 766	16 631	1 135	6,40%
Northern Cape	6 265	5 225	1 040	0.17	6 721	5 463	1 258	18,70%
North West	23 928	23 251	677	0.03	26 278	25 514	764	2,90%
Western Cape	26 461	23 169	3 292	0.12	29 404	24 391	5 013	17,00%
Total	276 824	258 283	18 541	0.07	307 617	281 284	26 333	8,60%

Source: Calculated from Wildeman,¹⁶ quoting the *School Register of Needs (SRN) 2000*

It would seem that neither the DBE nor any of the PEDs have published comprehensive classroom numbers since 2000. The numbers definitely exist within the EMIS and NEIMS databases, which suggests a deliberate decision by the education authorities to withhold these numbers from the public.

The recent 'National Education Statistics' and 'School Realities' reports present information on the learner-school ratio (LSR) that is not helpful in evaluating the quality of education because:

- (1) Schools vary greatly in size, so presenting an average of learners to the number of schools says very little about the real conditions in either small or very large schools.
- (2) The ratio is highly dependent on the large number of small schools that exist. If the PEDs close 100 small schools this will have ten times the impact on the ratio than if they build ten large schools (which raises the question of whether or not the use of this ratio is creating a perverse incentive that drives PEDs to close small schools).

16 RA Wildeman 'Infrastructure provisioning in schools and the right to basic education' Education Rights Project Issue Paper (November 2002).

- (3) The DBE interprets improvements in LSRs as indicators of improvement in the access and quality of education. Whereas this may not be the case where:
- (a) An increase in the LSR in a geographical area may result from an increase in the number of learners in that area, suggesting more learners per classroom and thus declining conditions for learning; or
 - (b) An increase in the LSR in a geographical area may result from a number of the schools being closed, indicating declining access to schools close to learners' homes.

Information on the number of classrooms, and the learner-classroom ratios (LCR), would be far more useful to evaluating access to and quality of education. These two pieces of information are also critical in evaluating the existence of actual backlogs in 'instruction spaces' within individual schools, within school districts and within provinces.

4. BACKLOGS IN SCHOOL INFRASTRUCTURE

The National Minister of Basic Education recently issued national norms and standards for school infrastructure as required by section 5A of the South African Schools Act.

These minimum uniform norms and standards came about as culmination of litigation against the DBE brought by Equal Education, assisted by LRC where the urgent need for minimum uniform norms and standards was voiced. In response, the Minister published draft regulations relating to minimum uniform norms and standards on 8 January 2013.

The draft norms and standards were strongly contested by education organisations, due to a lack of detail. Following an agreement sanctioned by the court, the Minister was required to promulgate norms and standards by 15 May 2013. Subsequently the Minister requested more time, which was agreed to by Equal Education. On 12 September 2013 the Minister published new norms and standards for public comment. On 29 November 2013 the Minimum Uniform Norms and Standards for Public School Infrastructure were published in the government gazette.

4.1 Planning to address backlogs in school infrastructure

PEDs *are* planning for school infrastructure; at issue is the quality and focus of such planning in certain provinces, and the fact that because the minimum uniform norms and standards on infrastructure have only been recently introduced, they had been planning in the absence of legislated national norms and standards. Also at issue is the fact that, in the absence of national norms and standards, PEDs are not able to comply with the planning and reporting requirements set out in section 58C of the South African Schools Act. Specifically section 58C(3), which reads:

The Member of the Executive Council must, annually, report to the Minister the extent to which the norms and standards have been complied with or, if they have not been complied with, indicate the measures that will be taken to comply.

All PEDs have published infrastructure project lists for 2012. It is notable that the formats of the lists vary widely between provinces: the Eastern Cape's list is unstructured and difficult to understand, while the Western Cape's list provides properly structured and useful information. All of the foregoing information points to a lack of leadership by the DBE in specifying (and enforcing) appropriate reporting formats and information requirements to provinces for reporting on school infrastructure projects. It would also seem that the DBE has made no attempt to consolidate and summarise the information in the PEDs' lists so as to provide a national picture of investment in school infrastructure.

While the infrastructure project lists for 2012 give the sense that most PEDs are prioritising backlogs, none of the PEDs seem to have complied with section 75 of the 1998 Norms and Standards for School Funding (as amended in 2006), which requires that:

[E]ach PED must:

- (a) maintain an accurate, prioritised, annually updated database of school construction needs, and
- (b) undertake annually updated long-term projections of new school construction targets and funding requirements, based on these norms.

At the very least, such information has not been placed in the public domain. It is therefore not possible to evaluate whether the infrastructure

projects that are being funded are 'starting with the neediest, most crowded areas'. Again, the absence of these backlog-lists points to a lack of leadership by the DBE in enforcing its own 1998 Norms and Standards for School Funding (as amended in 2006).

4.2 Backlogs in schools and classrooms

Neither the DBE nor the PEDs have published systematic backlog figures for schools and classrooms. This is mainly due to the fact that the DBE has only recently put in place norms and standards for school infrastructure against which such backlogs can be measured, and has also failed to enforce the provisions in the existing Norms and Standards for School Funding relating to PEDs' obligation to report on their school infrastructure plans.

The following information on classroom backlogs relates to 1996 and 2000. Much has changed since then, but it illustrates the kind of information that both the DBE and the PEDs should be collecting and publishing.

Table 4: Classroom backlog in 1996 and 2000

	1996			2000		
	Total existing class-rooms	Class-rooms required	% classroom backlog	Total existing class-rooms	Class-rooms required	% classroom backlog
Eastern Cape	40 489	20 733	51%	49 112	11 557	24%
Free State	20 583	3 186	15%	22 522	1 759	8%
Gauteng	41 721	3 253	8%	45 932	2 963	6%
KZN	58 423	14 070	24%	66 805	9 867	15%
Limpopo	38 958	13 298	34%	43 077	9 071	21%
Mpumalanga	19 996	4 948	25%	17 766	6 218	35%
Northern Cape	6 265	435	7%	6 721	266	4%
North West	23 928	3 859	16%	26 278	2 071	8%
Western Cape	26 461	1 598	6%	29 404	1 344	5%
Total	276 824	65 380	24%	307 617	45 116	15%

Source: Calculated from Wildeman, quoting the School Register of Needs (SRN) 2000

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Wildeman¹⁷ notes that, in interpreting the changes that took place between 1996 and 2000, it is important to understand that the drop in the classroom backlogs is not purely a function of school/classroom building. Differences also relate to changed learner and educator numbers as a result of various policies implemented, most notably the change in the school age admission policy that reduced the number of learners in primary schools (at the time). Similar considerations would probably apply to recent developments with the introduction of Grade R, which has increased the demand for classrooms in primary schools significantly.

Another way of looking at classroom backlogs is to look at the LCR. The following table summarises trends in this ratio since 1996 (and also shows that the DBE has stopped publishing this information in recent years).

Table 5: Learner-classroom ratio – 1996-2012

Classroom size	1996	2000	2006	2009	2010	2011	2012
1-5							
6-10							
11-15							
16-20							
21-25							
26-30			40,06%	no data	no data	no data	no data
31-35			34,76%	no data	no data	no data	no data
36-40							
41-45	49,39%	57,81%					
46-50							
> 50	50,61%	42,19%	25,18%	no data	no data	no data	no data

Sources: *Data of 1996, 2000 and 2006 National Assessment Report 2007*

Using this information, learner numbers and an ideal LCR of 45, the following table presents the results of two scenarios:

- Scenario 1 estimates the classroom backlog if the LCR in overcrowded classrooms equals 55 (namely how many additional classrooms would be required to reduce the LCR from 55 down to 45); and

¹⁷ n 16 above.

- Scenario 2 estimates the classroom backlog if the LCR in overcrowded classrooms equals 50 (namely how many additional classrooms would be required to reduce the LCR from 50 down to 45).

Table 6: Estimated classroom backlogs based on learner-classroom ratios for 2000 and 2006

	2000			2006		
	Learners in class-rooms LCR >45	Scenario 1 class-room backlog if LCR = 55	Scenario 2 class-room backlog if LCR = 50	Learners in class-rooms LCR >45	Scenario 1 class-room backlog if LCR = 55	Scenario 2 class-room backlog if LCR = 50
Primary school	2 616 693	17 841	13 083	1 561 757	10 648	7 809
Secondary school	1 483 566	10 115	7 418	948 410	6 466	4 742
Combined school	644 414	4 394	3 222	405 035	2 762	2 025
Intermediate school	152 904	1 043	765	91 749	626	459
Total	4 897 578	33 393	24 488	3 006 951	20 502	15 035

Source: Own calculations based on information from National Assessment Report 2007

Table 6 indicates that the percentage of classrooms with an LCR above 45 fell from over 50 per cent in 1996 to just over 25 per cent in 2006. This is a significant decline, but as already noted not all of it can be attributed to the building of new classrooms; changes in learner numbers and a more equal distribution of learners across classrooms probably contributed to most of the change. Table 6 indicates the backlog in classrooms if it is assumed that the only way of addressing the challenge of overcrowded classrooms is to build new classrooms. This table suggests that the classroom backlog in 2006 was between 15 000 (scenario 2) and 20 000 (scenario 1) spread across the different types of schools as shown. There was insufficient information to either estimate the backlogs by province or make more recent estimates.

Despite these improvements in the LCR at the aggregate level, there continues to be acute overcrowding at the level of individual schools, for instance at the Eastern Cape schools of Putuma JSS and Ntapane JSS, where the classroom sizes in 2013 were reported to be as follows:

Table 7: Number of learners per classroom in Putuma JSS and Ntapane JSS – 2013

Classroom	Putuma JSS	Ntapane JSS
Grade R	110	51
Grade 1	167	80
Grade 2	140	105
Grade 3	145	69
Grade 4	66	51
Grade 5	102	76
Grade 6	132	61
Grade 7	101	73
Grade 8	101	128
Grade 9	99	132
Average per class	116.30	82.60

Source: Legal Resources Centre – Letter to Minister of Basic Education (26 March 2013)

The continued problems at these schools suggests that in the Eastern Cape the PED's planning is either exceedingly poor or the Department is deliberately failing to prioritise the allocation of capital budgets in accordance with the principles set out in the 1998 National Norms and Standards for School Funding (as amended in 2006), specifically 'starting with the neediest, most crowded areas'.

4.3 Inappropriate school structures (so-called mud schools)

In 1994 one would not have been at all surprised to find large numbers of schools with inappropriate structures in different parts of the country, particularly in the former homelands, given the racist policies of the apartheid government in allocating funding to education. However, the fact that a very significant number of schools with inappropriate structures still exist is a serious indictment on both the national and provincial governments' commitment to redress the past inequalities and provide equitable access to quality education.

A key question is: how many schools with inappropriate structures are there in 2013?

Following the court action brought by the Legal Resources Centre on behalf of the Centre for Child Law and seven mud schools in the Libode District of the Eastern Cape, the DBE initiated the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) programme to address the issue of schools with inappropriate structures. On 29 May 2012, the DBE indicated that through this programme it is targeting 496 schools with inappropriate structures, but the DBE's own provincial breakdown of the list indicates there are only 492 such schools.¹⁸ Furthermore, in April 2013 the DBE indicated that it was targeting 510 schools with inappropriate structures.¹⁹ While it is positive that more schools are being added to the target list, this uncertainty regarding the actual number of schools with inappropriate structures is an indictment of the entire education sector's previous efforts to document and track school infrastructure: how do schools in such a shocking condition 'slip through the system', especially given the norms and standards for planning for school infrastructure set out in the 1998 National Norms and Standards for School Funding (as amended in 2006).

The following table sets out the DBE's 2012/13 ASIDI plans to replace inappropriate schools:

18 DBE presentation to Parliament, 29 May 2012.

19 The ASIDI Brief, April 2013.

Table 8: ASIDI 2012/13 plans to replace schools with inappropriate structures

ASIDI 2012/13 PLANS: PROGRESS : MASTER LIST								
Province	Inappropriate		Electricity		Sanitation		Water	
	No of Schools	2012/13	No of Schools	2012/13	No of Schools	2012/13	No of Schools	2012/13
Eastern Cape	424	50	317	213	345	290	619	535
Free State	30	20	129	103	26	12	99	61
Gauteng	2	2	2	0	21	14	0	0
KwaZulu Natal	3	3	116	116	139	56	229	219
Limpopo	3	3	141	137	77	37	121	83
Mpumalanga	5	5	129	82	8	8	17	17
North West	2	2	41	41	33	33	13	13
Northern Cape	1	1	0	0	19	3	6	0
Western Cape	22	14	7	0	21	0	3	0
Total	492	100	882	692	689	453	1 107	928



Source: *Parliamentary Monitoring Group, DBE presentation to Parliament dated 29 May 2012 (Hearing on Fourth Quarter Conditional Grant)*

On 12 September 2012 the DBE indicated in an ASIDI progress report to Parliament's Select Committee on Education and Recreation that of the 424 inappropriate schools in the Eastern Cape, 203 have enrolment figures below 135 learners. The DBE indicates that, in relation to these 203 schools:

- In line with the guidelines these schools cannot be provided with a full complement of infrastructure to schools with higher enrolment (over 135 learners);
- The province needs to provide [a] way forward on the status of Rationalisation to avoid delays in implementation in the next financial year.

This suggests that, rather than replacing these 203 schools, the DBE and the Eastern Cape PED are considering closing many of them and shifting the learners to neighbouring schools. In this regard, it would be important to establish whether or not there are nearby schools that are readily accessible to the affected learners, and whether or not such schools have the classrooms to accommodate significant numbers of additional learners.

No information could be found on the outcome of this 'rationalisation' plan.

4.4 Backlogs in basic services

Data gathered from the DBE's various school infrastructure publications indicate that there are still large backlogs in basic services (water, electricity and sanitation) in the Eastern Cape, KwaZulu-Natal and the Free State. In addition, many schools currently don't have libraries and other facilities, such as science labs and computer rooms.

Table 9: Basic service backlog at schools – 2009–2011

	No of sites		Percentage of public ordinary schools without					
	2009	2011	Water		Electricity		Library	
	2009	2011	2009	2011	2009	2011	2009	2011
Eastern Cape	5 715	5 676	19,5	19,3	20,6	20,6	90,0	90,0
Free State	1 643	1 615	15,2	14,7	15,1	14,9	74,0	74,0
Gauteng	1 994	2 031	0,0	0,1	0,6	0,6	41,0	41,0
KZN	5 835	5 931	10,4	10,6	26,7	26,6	79,0	80,0
Limpopo	3 918	3 923	8,1	6,6	7,4	5,8	93,0	93,0
Mpumalanga	1 540	1 868	6,4	6,9	13,2	11,8	81,0	83,0
Northern Cape	1 740	1 674	2,6	2,6	5,3	5,3	81,0	81,0
North West	609	611	1,0	1,0	3,6	3,6	70,0	71,0
Western Cape	1 466	1 464	0,0	0,0	0,1	0,1	47,0	47,0

Source: NEIMS Report (2009) and (May 2011)

The above table suggests that very little progress was made between 2009 and 2011 towards eliminating these backlogs. However, the ASIDI initiative is intended to address backlogs in these basic services (together with the replacement of inappropriate school structures).

Table 10: Number of schools without water, electricity, sanitation or libraries 2011 presents data on the number of schools without water, electricity, sanitation and libraries in 2011. This information comes from the DBE's NEIMS Report of May 2011. Comparing this information with the ASIDI targets, there is a large gap between the recorded backlogs and what the DBE plans to deliver through ASIDI.

Table 10: Number of schools without water, electricity, sanitation or libraries 2011

	No water	No electricity	No sanitation	No library
Eastern Cape	1 096	1 152	551	5 127
Free State	237	240	80	1 193
Gauteng	2	13	6	840
KZN	629	1 580	160	4 732
Limpopo	260	226	36	3 630
Mpumalanga	128	220	35	1 545
Northern Cape	44	89	37	1 353
North West	6	22	3	432
Western Cape	1	2	5	689
Total backlogs	2 401	3 544	913	19 541
ASIDI baseline targets 2011	1 257	878	868	0
Difference	1 144	2 666	45	19 541

Source: *NEIMS Report (May 2011), and Parliamentary Monitoring Group 'DBE presentation' (29 May 2012)*

The differences between the ASIDI plans and the backlogs recorded in the NEIMS database suggest that, while the ASIDI targets will make a significant dent in the basic services backlogs, the programme will need to be extended significantly to eliminate these basic services backlogs completely. Information from the ASIDI Brief (April 2013) suggests that the previous targets noted above have been changed as follows:²⁰

- 510 schools that were built with inappropriate structures are being replaced with brand new schools that meet the department's standards of basic functionality.
- 939 schools that previously did not have any access to sanitation will be supplied with a basic level of sanitation.
- 932 schools will get electricity for the first time.
- 1 145 will be provided with basic water supplies for the first time.

However this still means that significant backlogs in water and electricity need to be addressed. Meanwhile, backlogs in infrastructure such as libraries, science labs, and the like, continue.

²⁰ The ASIDI Brief (April 2013) Volume 2.

4.5 Backlogs in maintenance

While actual backlogs in school infrastructure and access to basic services are an enormous challenge, maintaining the existing stock of school infrastructure poses an *even greater* managerial and financial challenge. The most recent information that could be found on maintenance backlogs published by the DBE dates from 2007:

Table 11: State of school infrastructure – 2006

	Total 'operational' sites assessed	Excellent	Good	Poor	Very poor
Eastern Cape	6 727	41%	18%	22%	19%
Free State	2 260	59%	17%	15%	9%
Gauteng	2 141	81%	10%	5%	4%
KZN	5 905	54%	17%	14%	15%
Limpopo	4 751	52%	20%	18%	10%
Mpumalanga	2 524	58%	19%	14%	9%
Northern Cape	845	70%	13%	11%	6%
North West	2 275	70%	13%	10%	7%
Western Cape	1 813	93%	4%	2%	1%
% 2006	28 786	58%	16%	15%	11%
Total 2000	100%	5%	61%	25%	9%
% 2000	-	53%	-45%	-10%	2%
% 1996	-	7%	77%	11%	5%
% change since	-	51%	-61%	4%	6%

Source: *National Assessment Report (2007)*

The above table shows the 'condition backlog' as a percentage of the 'replacement value' of the infrastructure on a site, as follows:

- Excellent building condition – The 'condition backlog' is less than 2,5 per cent of the 'replacement value'. This implies a 1-year backlog in Planned Maintenance.
- Good building condition – The 'condition backlog' is between 2,5 and 5 per cent of the 'replacement value'. This implies a 2-year backlog in Planned Maintenance.
- Weak building condition – The 'condition backlog' is between 5 and 10 per cent of the 'replacement value'. This implies a 4-year backlog in Planned Maintenance.
- Very weak building condition – The 'condition backlog' is more than 10 per cent of the 'replacement value'. This implies a backlog in Planned Maintenance in excess of 4 years.

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The table indicates that between 2000 and 2006 the percentage of schools with very poor infrastructure increased from 9 per cent (or 2 477 schools) to 11 per cent (or 3 166 schools); resulting in an increase of 689 schools over the period. This indicates that routine, planned maintenance is not being given adequate attention, which increases future maintenance costs.

The general condition of schools in 2006 was the worst in the Eastern Cape, where around 41 per cent of the schools (specifically 2 758 schools) were either in a 'poor' or 'very poor' condition. This is confirmed by information published in the Eastern Cape PED's 2011/12 Annual Report:

Table 12: State of school infrastructure in the Eastern Cape

Condition of classrooms	Number of schools	%
Very weak	990	18%
Weak	1 572	28%
In need of repair	2 071	37%
Good condition	636	11%
New building	268	5%
Being upgraded	82	1%
Total	5 620	100%

Source: Eastern Cape PED 2011/12 Annual Report

In 2011 the Eastern Cape PED estimated that to eradicate the above maintenance backlogs would cost about R30 billion. This cost has not been independently verified or confirmed, but given the scope of the problem is probably a reasonable reflection.

PART 2

NATIONAL AND PROVINCIAL FUNDING OF SCHOOL INFRASTRUCTURE

There are various sources of funding available for school infrastructure. These include:

- The Education Infrastructure Grant (previously a component of the Infrastructure Grant to Provinces) from national government.
- The School Infrastructure Backlogs Grant from national government.
- The Provincial Equitable Share and provincial own revenues allocated to fund school infrastructure in the provincial budgets.
- School governing body funding (which is a very important but largely undocumented source of funding for school infrastructure, especially maintenance).

The School Infrastructure Backlogs Grant (SIBG) was introduced in 2011 as a short-term, high-impact grant to 'eliminate' backlogs in inappropriate school structures and address school access to basic services during the 2011 MTEF (namely over the period 2011/12 to 2013/14).

In 2011 the Infrastructure Grant to Provinces (IGP) was restructured in 2011 to improve the alignment of provincial infrastructure transfers with sector needs, and the Education Infrastructure Grant (EIG) was one of three new conditional grants created in the process. The EIG is supplementary funding to provinces to help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education. Although the EIG can be used for both maintenance and new infrastructure, the way the EIG formula is currently structured means that provinces with larger school infrastructure backlogs get more funding.

5. DETERMINANTS IN THE DEMAND FOR SCHOOL INFRASTRUCTURE

When planning to build a new school or expand on existing school infrastructure, one would expect consideration to be given to the number and location of learners, school enrolment levels, the growth of the population and migration across borders (provincial and country) and within provinces. This will impact on the demand for school infrastructure in different areas, and therefore should also affect the funding allocations made to the different provinces.

Of all the provinces, the Eastern Cape had the largest decline in its school-going population when comparing Census 2001 and 2011 data. The biggest gains in school-going population were seen in Gauteng and the Western Cape.

Table 13: School-going population migration

Province	Person's age 5-17 (Census 2001)	Person's age 5-17 (Census 2011)	Population shifts	Percentage shares (2001)	Percentage shares (2011)	Population shifts
Eastern Cape	2 151 992	1 856 317	-295 675	16,6%	15%	-1,65%
Free State	760 486	657 489	-102 997	5,9%	5,3%	-0,57%
Gauteng	1 931 719	2 231 793	300 074	14,9%	18,0%	3,09%
KZN	3 013 243	2 758 594	-254 649	23,3%	22,3%	-1,02%
Limpopo	1 798 862	1 536 294	-262 568	13,9%	12,4%	-1,50%
Mpumalanga	1 074 978	1 053 846	-21 126	8,3%	8,5%	0,20%
Northern Cape	280 975	288 839	7 864	2,2%	2,3%	0,16%
North West	826 216	824 724	-1 494	6,4%	6,7%	0,27%
Western Cape	1 094 565	1 174 625	80 060	8,5%	9,5%	1,02%
Total	12 933 032	12 382 521	-550 511	100%	100%	-

Source: *National Treasury 'Annexure W1: Explanatory memorandum to the division of revenue' (2013)*

It has been suggested in various quarters that the movement is in part due to families opting to 'purchase' better quality education in other provinces. So, the failure of certain provinces, including the Eastern Cape, to improve the quality of education over the past 20 years may be driving parents to seek better options for educating their children in provinces that are performing relatively better. When assessing overall population migration

trends, Statistics South Africa (STATS SA)²¹ makes the following observation:

Eastern Cape, Limpopo and KZN show the biggest losses with 325 078, 259 116 and 109 889 respectively. Thus people move, especially from the rural provinces of Eastern Cape and Limpopo to the most industrialised provinces of Gauteng and Western Cape for better opportunities, be it education or employment.

6. NATIONAL GOVERNMENT ALLOCATIONS TO SCHOOL INFRASTRUCTURE

National government allocates a part of its share of revenue to provinces through conditional grants. All conditional grants to provinces are reflected in the annual Division of Revenue Act and on the vote of the national department responsible for managing the grant. The provinces' shares of the conditional grant are also reflected on the budget of each provincial department responsible for managing the implementation of the grant.

There are a number of different types of conditional grants. Each type is known by the schedule in the annual Division of Revenue Act in which it appears. Each type is designed to fulfil a different purpose, and the planning, spending and reporting requirements associated with each type of grant differs, as follows:

21 STATS SA 'Census 2011: Provinces at a glance' (2012) 20.

Table 14: Types of conditional grants in the Division of Revenue Act 2 of 2013

Type of Grant	Purpose	Responsibility for spending	Planning and Budgeting	Reporting arrangements
Schedule 2	Each province's equitable share of the provincial sphere's share of revenue raised nationally	Provinces Provincial departments	SPs and APPs Provincial budgets	Monthly financial reports Published by NT quarterly
Schedule 4A grant	Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets	Provincial departments	Integrated into provincial dept's budget	No specific reporting, part of overall provincial financial report
Schedule 4B grant	Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets	Municipalities	Integrated into the munic's budget	No specific reporting, part of overall municipal financial report
Schedule 5 grant	Specific purpose allocations to provinces	Provincial departments	Add-on to provincial dept's budget	Quarterly reporting on spending Published by NT Quarterly
Schedule 6A grant	Allocations-in-kind to provinces for designated special programmes	National department	National department does planning	Depends on grant framework No information published routinely
Schedule 6B grant	Allocations-in-kind to municipalities for designated special programmes	National department	National department does planning	Depends on grant framework No information published routinely
Schedule 7A grant	Unallocated provisions for provinces for disaster response	DCoG and province	In the event of disasters	Within a month of transfer
Schedule 7B grant	Unallocated provisions for municipalities for disaster response	DCoG and municipality	In the event of disasters	Within a month of transfer

The SIBG is a Schedule 6A Grant, namely an allocation-in-kind grant to provinces for designated special programmes. This means that no funding flows to the provinces directly through the annual Division of Revenue

Act. Instead, the DBE is responsible for managing and spending the funds on behalf of the provinces. Given current arrangements for reporting and publishing information, this means there is no quarterly 'reporting trail' to track progress with the implementation of the SIBG.

The DBE does have the option to convert some of the grant into a schedule 4A grant if it finds that a province has the capacity to deliver. This was done in the 2013 Division of Revenue Act when R533 million of the SIBG was converted to the EIG and earmarked for projects in the Western Cape.²²

The EIG is a Schedule 4A Grant, namely it is an allocation to the provinces to supplement the funding of a programme or function (in this case, education infrastructure) that is normally funded from the provinces' equitable share and own revenue through the provincial budgets. Because the EIG is a Schedule 4A Grant, the PEDs are not required to report quarterly on the expenditure of the grant itself, but must report on expenditure and non-financial performance information against their entire capital budgets for school infrastructure in accordance with section 11 of the Division of Revenue Act and section 32 of the PFMA.

The following table summarises the grants from national government for education infrastructure since the 2009/10 financial year.

22 2013 Division of Revenue Act pg 123.

32 *Mud to bricks: A review of school infrastructure spending and delivery***Table 15: Summary of national expenditure on education infrastructure**

Project name	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Departmental infrastructure								
School infrastructure backlogs indirect grant	48 030 590	-	-	74 084	2 065 000	1 955 961	3 169 503	2 912 310
Infrastructure transfers to other spheres, agencies and departments								
Education infrastructure conditional grant	92 368 669	3 884 683	3 162 774	5 311 091	5 822 389	6 630 664	7 160 698	10 059 321
Technical secondary schools recapitalisation conditional grant	2 973 186	-	80 000	210 518	209 369	220 852	233 482	244 222
Total	143 372 445	3 884 683	3 242 774	5 595 693	8 096 758	8 807 477	10 563 683	13 215 853

Source: National Treasury 'Estimates of National Expenditure' (2013) Table 15F

When the SIBG and EIG were introduced, it is clear that national government regarded them as parts of an integrated package to address infrastructure backlogs at schools. The figures in the 'initial project cost column' above show that national government plans to allocate over R140 billion to school infrastructure over the coming period (with the annual allocations linked to effective planning and spending, and the availability of funds). The SIBG was 'separated out' in order to prioritise the most urgent school infrastructure backlogs. The integrated nature of the SIBG and EIG is emphasised by the following provision in the Division of Revenue Act 6 of 2011:

19(2) In respect of the School Infrastructure Backlogs Grant, the National Treasury may, at the request of the transferring national officer and a receiving province, convert the allocation to the province to become an allocation to the Education Infrastructure Grant, if the National Treasury and the transferring national officer are satisfied the province has demonstrated the capacity to implement projects and that the conversion will not be likely to result in –

- (a) underspending on the allocation; or
- (b) a lesser level of service delivery compared to if the allocation is provided to the province as a Schedule 7 grant-in-kind.

6.1 Education Infrastructure Grant

As mentioned, prior to the EIG provinces received the IGP. The IGP was on National Treasury's vote and overseen by National Treasury. Provinces were entitled to use the grant for infrastructure in education, health, transport and agriculture. They were advised on what proportion of the grant should be spent in each sector, but these were guidelines and not requirements. As a result, only a few of the provinces used the grant for agriculture-related infrastructure, for instance.

In 2011 the National Treasury split the IGP into three infrastructure grants, one of which was the EIG. The EIG was the portion of the IGP that was previously earmarked for education. Table 15 above indicates that national government has planned for an 'initial project cost' of R92.4 billion to address the infrastructure needs of education through the EIG (excluding the projects covered by the SIBG). This funding is to be disbursed to provinces over a period of time. The EIG was allocated R17.6 billion over the 2011 MTEF (see table below), and this allocation was increased to R18.2 billion over the 2012 MTEF.

Table 16: Education Infrastructure Grant allocations

Rands millions	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	MTEF Total	Total to date	% Change
2011 MTEF	5 498	5 883	6 207			17 588		
2012 MTEF		5 822	6 198	6 270		18 290		4%
2013 MTEF			6 631	7 161	10 059	23 851		30%
Total allocation	5 498	5 822	6 631	7 161	10 059		35 171	

Source: *Division of Revenue Act/Bill 2011, 2012, 2013*

For the 2013 MTEF the EIG was allocated an additional R433 million in 2013/14, R891 million in 2014/15 and R10 billion in 2015/16 to improve the delivery of school infrastructure in provinces. This brings the total to R23.9 billion over the 2013 MTEF, and the total allocations to the grant since 2011/12 to over R35 billion. The additional allocations to this grant

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are in contrast to the SIBG, which had funds reallocated to the EIG due to a lack of capacity in the DBE to spend the funds.²³

6.2 School Infrastructure Backlogs Grant

Substantial funds have been allocated to the SIBG in the Division of Revenue Act, and voted into Vote 15: Department of Basic Education. The figures in the 'initial project cost' column of Table 15 indicated that the eradication of the most urgent backlogs in school infrastructure is anticipated to cost over R48 billion.

The grant frameworks place specific planning obligations and deadlines on the DBE. However, there is no information in the public domain as to whether these planning obligations have been met, despite very rigid reporting conditions in the framework for the grant.

When the SIBG was introduced in 2011, R8.2 billion was allocated to it over the 2011/12 MTEF.

The national department will administer the school infrastructure backlogs grant – a grant-in-kind for provinces to ensure a national, *coordinated and high-impact approach* to eradicating backlogs in inappropriate structures and access to basic services at schools. The grant has been allocated R8.2 billion over the MTEF during which *all* backlogs will be eradicated and the grant will cease to exist at the end of this period. (emphasis added)

Table 17: School Infrastructure Backlogs Grant allocations

Rands millions	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	MTEF Total	Total to date	% Change
2011 MTEF	700	2 315	5 189			8 204		
2012 MTEF		2 315	5 189	5 500		13 004		59%
2013 MTEF			1 956	3 170	2 912	8 038		-38%
Total allocation	700	2 315	1 956	3 170	2 912		11 053	

Source: *Division of Revenue Act 2011, 2012 and 2013*

23 2013 Budget Review 'Annexure W1: Explanatory memorandum to the division of revenue' 28.

In the following year the allocation to this grant was increased to R13 billion over the 2012 MTEF, despite the DBE only spending 10,86 per cent of the first year's allocation. Following the under spending of the funds once again in 2012/13, National Treasury reallocated a large portion of the SIBG funds to the EIG in 2013. In the 2013 Budget Review,²⁴ National Treasury indicated that the grant's funds have been rescheduled to align the baseline with capacity to spend:

An amount of R2.5 billion is shifted from 2013/14 to 2015/16. A reprioritisation of R1.7 billion over the MTEF is also effected to make resources available for the construction of new universities in Mpumalanga and the Northern Cape as part of the SIPs identified by the Presidential Infrastructure Coordinating Committee; the *community library services grant*, which provides a complementary service to education; and the *education infrastructure grant*. The grant now amounts to R8 billion over the 2013 MTEF.

The above table shows that a total of R11.1 billion has now been allocated to the SIBG since its inception in 2011/12, substantially more than the original R8.2 billion that was initially agreed upon.

7. PROVINCIAL ALLOCATIONS TO SCHOOL INFRASTRUCTURE

Provinces have at their disposal the EIG, the provincial equitable share allocation and own revenues to spend on their education infrastructure requirements. Prior to the EIG, provinces received the IGP, which they could use for education, health, transport and agriculture infrastructure within provinces. The following table shows allocations to the IGP since 2003.

24 At 28.

Table 18: Allocations to the Infrastructure Grant to Provinces

2003-2007					
R thousands	2003	2004	2005	2006	2007
Eastern Cape	433 673	609 002	675 330	742 057	1 123 343
Free State	141 950	199 281	220 921	242 678	509 978
Gauteng	235 802	332 292	369 777	407 745	524 238
KwaZulu-Natal	500 302	706 485	787 803	870 486	1 298 792
Limpopo	420 632	593 328	660 898	729 464	918 470
Mpumalanga	180 066	255 169	285 533	316 596	519 929
Northern Cape	72 394	159 314	180 529	201 733	351 318
North West	204 479	288 366	321 135	354 373	506 113
Western Cape	145 190	205 125	228 847	252 987	411 844
Total	2 334 488	3 348 362	3 730 773	4 118 119	6 164 025

2008-2012					
R thousands	2008	2009	2010	2011	2012
Eastern Cape	1 317 909	1 661 391	2 010 800	968 435	883 403
Free State	569 278	717 182	869 338	418 776	459 635
Gauteng	606 206	770 400	952 477	461 011	512 866
KwaZulu-Natal	1 560 290	1 970 933	2 395 763	1 158 136	1 247 477
Limpopo	1 076 297	1 407 445	1 743 422	874 897	942 091
Mpumalanga	572 244	771 968	976 347	472 881	530 711
Northern Cape	390 161	492 388	598 847	289 158	307 609
North West	641 035	807 577	973 072	469 967	507 200
Western Cape	513 287	649 963	794 845	385 039	431 397
Total	7 246 707	9 249 247	11 314 911	5 498 300	5 822 389

Source: *Division of Revenue Act 2003-2012*

As already noted, in 2011 the IGP was split into three separate grants, one being the EIG. The table below indicates the share of the EIG that provinces might have allocated to education infrastructure in the past, using the ratio (42 per cent) National Treasury used to divide the IGP. The table shows that between 2003 and 2010 national government allocated nearly R20 billion to provinces for spending on education infrastructure.

Table 19: Infrastructure grant to provinces, presumed education portion

2003-2007					
R thousands	2003	2004	2005	2006	2007
Eastern Cape	182 143	255 781	283 639	311 664	471 804
Free State	59 619	83 698	92 787	101 925	214 191
Gauteng	99 037	139 563	155 306	171 253	220 180
KwaZulu-Natal	210 127	296 724	330 877	365 604	545 493
Limpopo	176 665	249 198	277 577	306 375	385 757
Mpumalanga	75 628	107 171	119 924	132 970	218 370
Northern Cape	30 405	66 912	75 822	84 728	147 554
North West	85 881	121 114	134 877	148 837	212 567
Western Cape	60 980	86 153	96 116	106 255	172 974
Total	980 485	1 406 312	1 566 925	1 729 610	2 588 891

2008-2012					
R thousands	2008	2009	2010	2011	2012
Eastern Cape	553 522	697 784	844 536	968 435	883 403
Free State	239 097	301 216	365 122	418 776	459 635
Gauteng	254 607	323 568	400 040	461 011	512 866
KwaZulu-Natal	655 322	827 792	1 006 220	1 158 136	1 247 477
Limpopo	452 045	591 127	732 237	874 897	942 091
Mpumalanga	240 342	324 227	410 066	472 881	530 711
Northern Cape	163 868	206 803	251 516	289 158	307 609
North West	269 235	339 182	408 690	469 967	507 200
Western Cape	215 581	272 984	333 835	385 039	431 397
Total	3 043 617	3 884 684	4 752 263	5 498 300	5 822 389

Source: Own calculations

The following table, taken from National Treasury's 'Provincial Budgets and Expenditure Review' (2009), shows actual total capital spending by PEDs for the period 2005/06 to 2008/09, and then budget numbers for the 2009/10 MTEF. Note that not all of the capital spending would have been on public ordinary schools. A comparison of the totals in Table 19 and the numbers circled in the next table indicate that, on aggregate, PEDs allocated more to education infrastructure than they received for education

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through the IGP. This is encouraging given that the grant is a supplement to their budgets (hence they would be expected to spend more than the grant funding).

Table 20: Infrastructure spending by PEDs 2005/06 to 2011/12

Table 3.13 Provincial education expenditure by economic classification, 2005/06 – 2011/12

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
R million							
Current payments	65 381	70 563	78 816	94 953	104 421	115 211	124 921
<i>of which:</i>							
Compensation of	58 175	62 597	69 712	84 023	90 523	98 426	106 117
Goods and services	7 188	7 909	9 005	10 919	13 733	16 631	18 796
Transfers and subsidies	3 793	4 754	6 343	7 886	8 629	9 616	10 349
Payments for capital assets	2 808	3 630	3 219	4 711	5 483	7 174	8 506
Total	71 981	78 948	88 377	107 550	118 534	132 002	143 776
Percentage of provincial education expenditure							
Current payments	90.8%	89.4%	89.2%	88.3%	88.1%	87.3%	86.9%
<i>of which:</i>							
Compensation of	80.8%	79.3%	78.9%	78.1%	76.4%	74.6%	73.8%
Goods and services	10.0%	10.0%	10.2%	10.2%	11.6%	12.6%	13.1%
Transfers and subsidies	5.3%	6.0%	7.2%	7.3%	7.3%	7.3%	7.2%
Payments for capital assets	3.9%	4.6%	3.6%	4.4%	4.6%	5.4%	5.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage growth (average annual)		2005/06 – 2008/09		2008/09 – 2009/10		2008/09 – 2011/12	
Current payments		13.2%		10.0%		9.6%	
<i>of which:</i>							
Compensation of		13.0%		7.7%		8.1%	
Goods and services		15.0%		25.8%		19.8%	
Transfers and subsidies		27.6%		9.4%		9.5%	
Payments for capital assets		18.8%		16.4%		21.8%	
Total		14.3%		10.2%		10.2%	

Source: National Treasury 'Provincial Budgets and Expenditure Review' (2009)

7.1 Total spending by provinces on school infrastructure

Information on the PEDs' spending on education infrastructure was gathered from provincial budget documents available on the National Treasury website. The table below shows audited outcomes since 2003.

**Table 21: Education infrastructure spending – Programme 2:
Ordinary public schools**

R thousands	2003	2004	2005	2006	2007	2008
Eastern Cape	72 269	268 869	235 111	431 667	313 258	632 527
Free State	64 803	16 874	34 661	35 358	26 976	26 855
Gauteng	192 415	466 996	361 789	581 997	460 825	588 460
KwaZulu-Natal	417 953	440 498	677 835	683 626	868 581	880 126
Limpopo	272 538	352 479	360 849	456 448	340 199	625 644
Mpumalanga	211 185	129 232	173 406	300 525	242 182	357 599
Northern Cape	23 966	158 574	30 056	15 263	49 322	53 217
North West	122 602	128 842	234 179	287 996	105 185	145 927
Western Cape	92 691	125 785	270 509	220 853	140 109	162 455
Total	1 470 422	2 088 149	2 378 395	3 013 733	2 546 637	3 472 810

R thousands	2009	2010	2011	2012 Estimate	2013 Budget
Eastern Cape	711 153	284 256	805 322	695 353	752 050
Free State	83 926	235 556	497 482	479 751	443 196
Gauteng	682 634	-	1 253 642	962 953	1 097 403
KwaZulu-Natal	1 144 700	1 743 453	1 892 615	1 761 835	1 624 544
Limpopo	849 493	436 599	259 635	-	-
Mpumalanga	304 573	466 565	503 287	588 621	509 379
Northern Cape	88 245	73 392	188 663	197 872	224 100
North West	242 505	254 689	563 781	489 506	530 696
Western Cape	193 813	453 216	658 936	725 249	1 193 479
Total	4 301 042	3 947 726	6 623 363	5 901 140	6 374 847

Source: National Treasury 'Provincial budget documents'

The data for 2003-2010 covers capital spending on public ordinary schools (programme 2). In the 2013 budget documents, programme 8 (Infrastructure Projects) was introduced and all capital spending was shifted into that programme. From 2011 onwards programme 8 data is used.²⁵ It should be noted that most provinces' data for programme 2 does not correlate with information that was later restated in programme 8. The Eastern Cape is the only province where the spending numbers on

²⁵ When programme 8 was introduced in 2013, the spending data from 2011 was restated in this programme.

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programmes 2 and 8 correlate. The Northern Cape budgets show the most inconsistency: in some years there is no budget allocation for capital infrastructure in programme 2. In this case, the total capital expenditure for the whole department was used.

Table 22: Annual change in spending on school infrastructure

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Eastern Cape	-	272%	-13%	84%	-27%	102%	12%	-60%	183%	-14%	8%
Free State	-	-74%	105%	2%	-24%	-0%	213%	181%	111%	-4%	-8%
Gauteng	-	143%	-23%	61%	-21%	28%	16%	-100%	-	-23%	14%
KwaZulu-Natal	-	5%	54%	1%	27%	1%	30%	52%	9%	-7%	-8%
Limpopo	-	29%	2%	26%	-25%	84%	36%	-49%	-41%	-100%	-
Mpumalanga	-	-39%	34%	73%	-19%	48%	-15%	53%	8%	17%	-13%
Northern Cape	-	562%	-81%	-49%	223%	8%	66%	-17%	157%	5%	13%
North West	-	5%	82%	23%	-63%	39%	66%	5%	121%	-13%	8%
Western Cape	-	36%	115%	-18%	-37%	16%	19%	134%	45%	10%	65%
Total	-	42%	14%	27%	-15%	36%	24%	-8%	68%	-11%	8%

Source: Own calculations from Table 21

Table 22 shows that the PEDs' school infrastructure spending has been quite variable, with spending increasing and decreasing over the years. This reflects the 'lumpy' nature of infrastructure spending, and is not an unusual characteristic of capital expenditure (schools are big items). The data suggests that 2007 was a 'bad' year for school infrastructure spending. It is not clear why this was the case; one possibility might be that provinces prioritised infrastructure projects linked to the approaching World Cup 2010 in that year. Of particular concern, however, is the poor performance in 2012. This is probably linked to the fact that 2011 saw a massive growth in spending in a number of provinces, and the momentum could simply not be sustained. The decline in spending in Limpopo is cause for concern; it would seem that there are no budgets for school infrastructure in 2012 and 2013.

Recently, in response to a question from Parliament, the Minister of Basic Education provided the following information on PEDs' total infrastructure spending.²⁶

**Table 23: Total provincial education infrastructure spending
2009/10**

R thousand	Allocated Budget	Adjustment	Total Adjusted budget	Total Spending	% spent
Eastern Cape	834 216	4 700	838 916	836 422	99.7%
Free State	329 690	114 887	444 577	433 378	97.5%
Gauteng	712 851	90 160	803 011	705 537	87.9%
KwaZulu-Natal	1 303 527	- 194 505	1 109 022	1 178 678	106.3%
Limpopo	852 873	10 177	863 050	914 839	106.0%
Mpumalanga	378 105	- 43 080	335 025	307 329	91.7%
Northern Cape	54 459	40 591	95 050	95 050	100.0%
North West	250 609	- 26 080	224 529	227 912	101.5%
Western Cape	243 813	- 1 211	242 602	213 290	87.9%
Total	4 960 143	- 4 361	4 955 782	4 912 435	99.1%
Spending on school infrastructure				4 301 042	

Source: PMG, Minister of Basic Education reply, 17 August 2012 (internal question paper 24/2012)

26 Parliamentary Monitoring Group, Minister of Basic Education reply, 17 August 2012.

42 *Mud to bricks: A review of school infrastructure spending and delivery***Table 24: Total provincial education infrastructure spending
2010/11**

R thousand	Allocated Budget	Adjustment	Total Adjusted budget	Total Spending	% spent
Eastern Cape	1 148 173	- 344 211	803 962	360 432	44.8%
Free State	295 673	- 52 620	243 053	145 347	59.8%
Gauteng	1 056 532	- 532 246	524 286	625 888	119.4%
KwaZulu-Natal	1 930 515	- 88 026	1 842 489	1 836 333	99.7%
Limpopo	1 022 718	9 879	1 032 597	1 054 559	102.1%
Mpumalanga	434 995	201 097	636 092	413 938	65.1%
Northern Cape	66 470	33 132	99 602	99 602	100.0%
North West	275 856	4 577	280 433	228 015	81.3%
Western Cape	298 192	144 970	443 162	431 275	97.3%
Total	6 529 124	- 623 448	5 905 676	5 195 389	88.0%
Spending on school infrastructure				3 947 726	

Source: PMG, Minister of Basic Education reply, 17 August 2012 (internal question paper 24/2012)

Table 25: Total provincial education infrastructure spending 2011/12

R thousand	Allocated Budget	Adjustment	Total Adjusted budget	Total Spending	% spent
Eastern Cape	1 303 256	149 825	1 453 081	958 553	66.0%
Free State	418 776	82 729	501 505	500 770	99.9%
Gauteng	1 427 315	12 382	1 439 697	1 467 289	101.9%
KwaZulu-Natal	2 197 741	18 356	2 216 097	2 210 730	99.8%
Limpopo	1 230 799	23 600	1 254 399	1 222 106	97.4%
Mpumalanga	620 959	69 839	690 798	698 895	101.2%
Northern Cape	301 620	0	301 620	295 699	98.0%
North West	576 068	55 945	632 013	609 370	96.4%
Western Cape	688 399	31 887	720 286	734 194	101.9%
Total	8 764 933	444 563	9 209 496	8 697 606	94.4%
Spending on school infrastructure				6 623 363	

Source: PMG, Minister of Basic Education reply, 17 August 2012 (internal question paper 24/2012)

The numbers for spending on school infrastructure are taken from Table 21 above, and reflect the audited spending on school infrastructure as reported by the PEDs in their budget documents. Comparing these to the total spending numbers indicates that most infrastructure spending by PEDs goes towards school infrastructure. This is as it should be, given that school education is the largest function of these departments.

The PEDs have generally performed well with regard to spending their infrastructure budgets since 2009/10. Spending in 2010/11 was down in four provinces, but recovered in 2011/12. The Eastern Cape stands out as the one province that is consistently unable to spend its infrastructure budgets. In 2011 the provincial legislature allocated additional funds to the PED in the adjustment budget, but it did not even manage to spend its original budget. The Eastern Cape PED reports in its Annual Report for 2011/12 that:

The Department's Infrastructure unit has been under-capacitated for many years. Despite fewer than half the posts in the unit being filled, no new appointments were made during the past year.

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This persistent lack of capacity and failure to employ people with the required skills is probably the most significant factor behind the department's poor spending performance.

In order to compare spending across the provinces, infrastructure spending per learner in each province was calculated. The following table compares the provinces' infrastructure spending per learner from 2009/10 to 2011/12. The data shows two provinces, the Eastern Cape and Mpumalanga, consistently spending below the national average. This is despite the fact that these provinces have the highest backlogs.

**Table 26: Provincial per learner infrastructure spending
2009/10-2011/12**

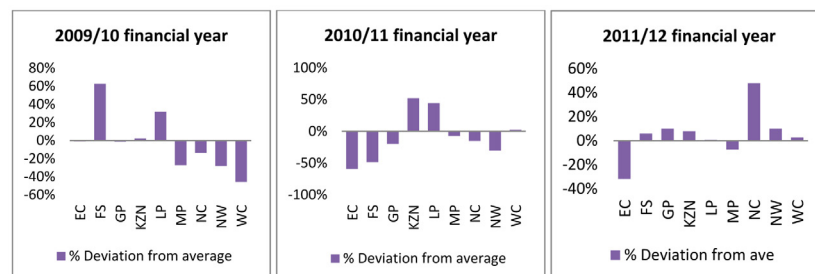
2009/10		%		
Learners 2009*	Spending per learner	Deviation from average	Deviation from average	
EC	2 032 198	412	-4	-0.9%
FS	642 234	675	260	62.5%
GP	1 720 243	410	-5	-1.2%
KZN	2 773 336	425	10	2.3%
LP	1 671 672	547	132	31.8%
MP	1 016 479	302	-113	-27.2%
NC	264 857	359	-56	-13.6%
NW	764 493	298	-117	-28.2%
WC	943 235	226	-189	-45.6%
Total	11 828 747			
National average 415				
*2009 School Realities				
2010/11		%		
Learners 2010*	Spending per learner	Deviation from average	Deviation from average	
EC	2 003 129	180	-260	-59.1%
FS	638 756	228	-212	-48.3%
GP	1 776 925	352	-88	-19.9%
KZN	2 743 979	669	229	52.1%
LP	1 660 700	635	195	44.3%
MP	1 013 760	408	-32	-7.2%
NC	266 296	374	-66	-15.0%
NW	746 096	306	-134	-30.5%
WC	959 714	449	9	2.1%
Total	11 809 355			
National average 440				
*2010 School Realities				

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	2011/12 Learners 2011*	Spending per learner	Deviation from average	% Deviation from average
EC	1 910 265	502	-235	-31.9%
FS	641 219	781	44	6.0%
GP	1 810 197	811	74	10.0%
KZN	2 781 830	795	58	7.9%
LP	1 645 746	743	6	0.8%
MP	1 021 722	684	-53	-7.2%
NC	271 474	1089	352	47.8%
NW	751 294	811	74	10.1%
WC	970 319	757	20	2.7%
Total	11 804 066			
National average 737				
*2011 School Realities				

Source: Own calculations

Figure 2: Infrastructure spending – deviation from average per learner



Source: Own calculations

In 2008 the provinces spent on average R397 per learner on education infrastructure projects.²⁷ In 2009 this figure improved to R415 per learner, and then R440 per learner in 2010. The following year National Treasury restructured the IGP to introduce the EIG. In this year spending per

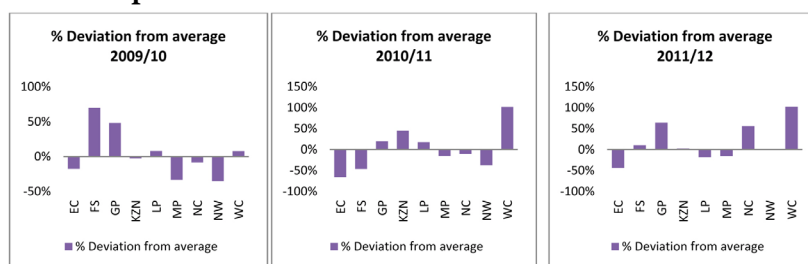
27 National Treasury 'Provincial Budgets and Expenditure Review' (2009).

learner improved to over R700 per learner on average across provinces. This is a 67 per cent rise in spending per learner across the nine provinces in one year since the implementation of the conditional grant. This may point to the fact that prior to the IGP being split, provinces were not spending optimally on education infrastructure.

Having doubled its spending on education infrastructure from R180 per learner in 2010 to R502 per learner in 2011, the Eastern Cape on the surface seems to have gained considerably from the change in conditions of the IGP. Despite this, it is evident from the graphs above that the Eastern Cape is still far below the national average spending when compared to the other provinces. And this is despite the fact that the province has the largest backlogs in school infrastructure.

The following figure shows the PEDs' spending on infrastructure per poor learner (learners in the bottom two income quintiles).

Figure 3: Infrastructure spending – deviation from average per poor learner



Source: Own calculations

The picture changes a little when compared to Figure 2. The Eastern Cape continuously spends below the national average infrastructure spent on poor learners. This is a concerning trend given that the province has one of the highest levels of poverty in the country.

What this means is that the school infrastructure gap between the Eastern Cape and other provinces is growing from year to year, with learners in the

It should be noted that where there are no backlogs or infrastructure has been well maintained, the per-learner number should be lower. Having said that, the Eastern Cape, with the highest number of schools with inappropriate infrastructure, is not one of those provinces where a lower per-learner expenditure can be justified.

Eastern Cape becoming progressively more disadvantaged relative to learners in other provinces.

7.2 Provinces' allocations of own funding to school infrastructure

The table below shows total infrastructure spending per province as reported by the DBE, together with the total EIG allocations set out in the annual Division of Revenue Act: *the difference is own funding from the province.*

Table 27: Province's own contribution to school infrastructure spending 2011/12

R thousand	Total education infrastructure spending*	EIG allocation**	Other funding (including ES)	% other funding
Eastern Cape	958 553	968 435	-9 882	-1%
Free State	500 770	418 776	81 994	16%
Gauteng	1 467 289	461 011	1 006 278	69%
KwaZulu Natal	2 210 730	1 158 136	1 052 594	48%
Limpopo	1 222 106	874 897	347 209	28%
Mpumalanga	698 895	472 881	226 014	32%
Northern Cape	295 699	289 158	6 541	2%
North West	609 370	469 967	139 403	23%
Western Cape	734 194	385 039	349 155	48%
Total	8 697 606	5 498 300	3 209 188	37%

Sources: *PMG, Minister of Basic Education reply, 17 August 2012 (internal question paper 24/2012)

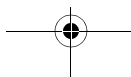
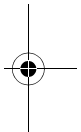
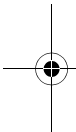
**Division of Revenue Act, 2011

It is clear that most provinces supplemented the EIG funding with their own funding in 2011. The Eastern Cape is the *only* province that did not spend any of its own funding on education infrastructure, and moreover, underspent its EIG allocation. This failure of the province to allocate its own funding to education infrastructure, as well as its low spending of the EIG, explains the persistence of school infrastructure backlogs in the province. In other words, funding for school infrastructure is available – the problem is the province's inability to spend it, and spend it effectively.



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The provincial government needs to prioritise its budget differently (like other provinces) and the PED needs to develop the capacity to spend.



PART 3

PERFORMANCE IN THE DELIVERY OF SCHOOL INFRASTRUCTURE

In May 2012 National Treasury noted the following when discussing the two education infrastructure conditional grants (presentation to the Select Committee on Appropriations):

The slow spending in the conditional grants is primarily a result of the following:

- Poor planning;
- Insufficient management focus on the implementation of plans; [and]
- A lack of internal efficiency within department (leading to unexplained delays and poor communication);
- These are management challenges that require a more engaged leadership of departments ...²⁸

Treasury also noted that the lack of technical skills such as project planning and costing within the critical units of the Department was a contributing factor.

28 Parliamentary Monitoring Group, NT presentation to Parliament dated May 2012 (Presentation to Select Committee on Appropriations – 4th Quarter Conditional Grant outcomes) available at: http://www.pmg.org.za/report/20120509-hearing-provinces-fourth-term-201112-financial-year-expenditure-repor_

8. PERFORMANCE OF THE SCHOOL INFRASTRUCTURE BACKLOGS GRANT

8.1 Planning related to the grant

In order to ensure proper implementation of SIBG the Department should reflect plans for implementing the grant in its Strategic Plan and its Annual Performance Plans. The Strategic Plan for 2011-14 makes the following reference to the SIBG (at 51):

Purpose	To eradicate inappropriate school infrastructure and make provision for water; sanitation and electricity at schools.
Performance indicator	Eradication and replacement of 395 mud schools, 1 307 schools provided with water; sanitation provided to 536 schools and 1 434 schools electrified.
Continuation	The grant has been awarded for three years.
Motivation	The grant has been awarded to ensure that all schools reach basic functionality levels in terms of the Norms and Standards for School Infrastructure.

In the 2011-12 Annual Performance Plan (at 16) the following reference is found:

Expenditure increased from R4.8 billion in 2007/08 to R10.9 billion in 2010/11, at an average annual rate of 31.5 per cent, and is expected to continue growing over the medium term, at an average annual rate of 23.2 per cent, to reach R20.4 billion in 2013/14. The growth between 2007/08 and 2010/11 was mainly due to increases in the national school nutrition programme conditional grant and the mass literacy campaign, and additional allocations for the workbooks project. The projected growth over the medium term is mainly due to the additional allocation of R25.8 billion for the school infrastructure backlogs grant and shifting the education infrastructure grant from the infrastructure grant to provinces (formerly on National Treasury's vote) into this vote.

With reference to the expected growth in infrastructure spending it states (at 37):

Over the medium term, expenditure is expected to increase to R11.6 billion in 2013/14, at an average annual rate of 33.1 per cent. This is mainly due to the introduction of the school infrastructure backlogs indirect grant and the transfer payment to provincial education

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departments for the education infrastructure conditional grant in the Financial and Physical Planning sub-programme. R17.6 billion will be transferred to provincial education departments and R8.2 billion will be managed by the department for this over the MTEF period.

And then the same table as shown above is presented at 47.

In the 2012-13 Annual Performance Plan there are numerous references to how the SIBG has resulted in an increase in funding for addressing school infrastructure challenges, and then the following table is presented on page 61.

5.2.6 School infrastructure Backlogs Grant	
Purpose	To eradicate inappropriate school infrastructure and make provision for water; sanitation and electricity at schools.
Performance indicator	Eradication and replacement of 395 mud schools, 1 307 schools provided with water; sanitation provided to 536 schools and 1 434 schools electrified.
Continuation	The grant has been awarded for three years.
Motivation	The grant has been awarded to ensure that all schools reach basic functionality levels in terms of the Norms and Standards for School Infrastructure.

This is a straight copy and paste from the previous year's Strategic Plan and APP. There is no change to the performance indicators, which suggests that the DBE did little, if any, additional planning in the intervening period to manage the implementation of this grant. That, or the Department failed to update the information in its 2012-13 APP, which is a worse indictment given the scale and importance of this grant.

The slide below, from a presentation made by the DBE on 29 May 2012, indicates the Department's targets for the ASIDI program together with the budget over the MTEF.

Table 28: DBE ASIDI Targets (extract)

ASIDI Targets				
The targets are as follows:				
Infrastructure Category	Baseline	2011/2012	2012/2013	2013/2014
Inappropriate Structures	496	50	100	346
Water	1257	188	1069	
Electrification	878	164	714	
Sanitation	868	354	514	
Specialist Classrooms			50	

The budget allocation for the ASIDI programme over the MTEF period is R8.2 billion and allocated as indicated in the table below:

MTEF ALLOCATIONS	
2011/12	R 700
2012/13	R2 315
2013/14	R5 189
TOTAL	R8 204



Source: *Parliamentary Monitoring Group, DBE presentation to Parliament dated 29 May 2012 (Hearing on Fourth Quarter Conditional Grant)*

Clearly the budget allocation is that of the SIBG over the MTEF. However, the targets set by the DBE do not correspond to the grant framework published by the National Treasury in 2011 and 2012 (note that the targets in the presentation do not correspond to the DBE's own APP and Strategic Plan either). Below is the description of the targets of the grant as it is contained in the grant framework for 2012 (2013 frameworks discussed below) as published by the National Treasury.

School Infrastructure Backlogs Grant	
Transferring department	• Basic education (vote 15)
Strategic goal	• The eradication of inappropriate education structures and backlogs in basic services
Grant purpose	• Eradication of inappropriate school infrastructure • Provision of water, sanitation and electricity to schools
Ourcome statements	• Improved access to enabling learning and teaching environments
Outputs	• Eradication and replacement of 395 mud schools • 1 307 schools provided with water • 536 schools provided with sanitation • 1 434 schools provided with electricity

Source: *Publication of Government Gazette in terms of section 8(3) and 15(1) of the Division of Revenue Act, 2012, GN 426, GG 35399, 31 May 2012*

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When the two targets are compared (table below) a substantial difference between all of the targets can be seen. It is clear that the SIBG funding is being used for building more structures and sanitation facilities and less water and electricity infrastructure than was envisaged when the grant was introduced.

Table 29: Difference between DBE ASIDI targets and SIBG framework targets

	Department Targets*	Grant Framework	Difference
Inappropriate structures	496	395	101
Water	1257	1307	-50
Sanitation	868	536	332
Electrification	878	1434	-556

Sources: **Parliamentary Monitoring Group, DBE presentation to Parliament dated 29 May 2012 (Hearing on Fourth Quarter Conditional Grant) & 19 October 2012 (Standing Committee on Appropriations)*

This mismatch between the DBE and National Treasury suggests that:

- there was poor communication between them as to the current backlogs in the country, and/or
- the National Treasury was failing to monitor the performance of the grant, and/or
- the DBE was not clear on what the grant targets actually were.

It is likely that the mismatch resulted from a combination of all three points.

Moving on to 2013, the DBE seems to have realised their mistake regarding the targets for this grant, and rectified them in the 2013 Division of Revenue Act.

Outputs	• Eradication and replacement of 496 entire inappropriate schools and provision of related school furniture • 1 257 schools provided with water • 868 schools provided with sanitation • 878 schools provided with electricity
---------	---

Source: *Division of Revenue Bill, 2013*

In a presentation on 20 August 2013,²⁹ however, the DBE again presented a different number of 510 inappropriate schools. There is no indication given as to why there are more inappropriate structures than when the grant was introduced. This data discrepancy points to a lack of quality data and therefore, also, a lack of proper planning. Planning cannot occur without good data.

Another indication of the lack of monitoring of this grant is evident when comparing the conditions of the grant and the Annual Reports of provinces (those that were available). The last condition of the grant (2011 and 2012) requires that 'provincial departments of education must report on the progress of projects funded through this grant in their annual report and describe how the schools have been considered in their future planning'. There is no evidence of such reporting whatsoever.

29 'Progress on Accelerated Schools Infrastructure Delivery Initiative: Briefing by Deputy Minister & Department of Basic Education' 20 August 2013, available at: <http://www.pmg.org.za/report/20130820-progress-accelerated-schools-infrastructure-delivery-initiative-briefing-deputy-minister-department-basic> (accessed 11 February 2014).

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Conditions	• This is a grant-in-kind administered by the national Department of Basic Education (DBE) that may be transferred to a province through the Education Infrastructure Grant if the province is able to demonstrate, through a proven track record, that it has the capacity to implement the projects. • DBE must submit a Programme Implementation Plan which includes detailed project plans, procurement plans and procurement strategies, projected cash flow schedules and plans detailing the monitoring and evaluation of project implementation of projects funded through this grant to National Treasury for sign off before requesting the first drawings on this grant. • Provincial departments must appoint Programme Planning and Monitoring Teams (PPMTs) that will assist the DBE plan and oversee the implementation of projects. • The DBE must submit monthly project cash flow reports to National Treasury 7 days after the end of each month that show how actual payments and cash flow reconcile with the projected cash flow schedule and explain any deviations from the original projected cash flow. • Provincial departments of education must report on the progress of projects funded through this grant in their annual report and describe how the schools have been considered in their future planning.
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Source: *Publication of Government Gazette in terms of section 8(3) and 15(1) of the Division of Revenue Act, 2012, GN 426, GG 35399, 31 May 2012*

The reporting conditions of the SIBG were, however, changed by Budget 2013.

Conditions	• This is a grant-in-kind administered by the national Department of Basic Education (DBE) that may be transferred to a province through the Education Infrastructure Grant if the province is able to demonstrate, through a proven track record, that it has the capacity to implement the projects. • DBE must submit an infrastructure programme implementation plan. • Programme governance will be conducted by various committees established to ensure that various processes are initiated within the programme - National Steering Committee - Technical Committee - Project Steering Committee - Provincial Planning and Monitoring Team (PPMT) or equivalent should meet monthly to ensure: information flows between the stakeholders, unblocking of processes, monitoring of progress; and cooperation - Infrastructure Bid Specification and Evaluation Committee - Infrastructure Bid Adjudication Committee • The DBE must submit monthly project reports with cash flow to National Treasury 15 days after the end of each month that show how actual payments and cash flow reconcile with the projected cash flow schedule and explain any deviations from the original projected cash flow. • Assets will be transferred to custodians in respective provinces who must report in their annual report and describe how the schools have been considered in their future maintenance plans.
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Source: *Division of Revenue Bill, 2013*

The extract above from the 2013 Division of Revenue Bill shows that the DBE still (as before) has to provide a programme implementation plan, but in the 2013 Division of Revenue Act the detail to this plan is not specified.³⁰ An attempt was made to strengthen governance through the establishment of various committees, but this added bureaucracy could further delay implementation.

The requirement that provinces have to report on the SIBG's use in their Annual Report is removed in the 2013 Division of Revenue Act and replaced by a condition that provinces should report and describe the future maintenance of completed structures. This change acknowledges that the PEDs are not responsible for managing the implementation of the SIBG, but that they will be responsible for maintaining the infrastructure created by it.

³⁰ We were not able to establish whether or not the DBE has submitted the required infrastructure plan to National Treasury.

8.2 Spending and delivery progress of the SIBG

The following table indicates the progress made with delivering on the performance targets of the SIBG. Data in the table was extracted from presentations made by the DBE to Parliament in May 2012,³¹ October 2012³² and February 2013.³³

Table 30: ASIDI Targets and Budget

R millions	Target for year***	% Target reached at end of year	Budget	% Budget spent
2011/12	50	8%	700	11%
2012/13	100	32%*	2065	23%**

* Note: this is 32% of the first year's target of 50 structures

**End of third quarter

***Structures only

Source: Parliamentary Monitoring Group, DBE presentations dated May 2012, October 2012 and February 2013

The table shows that in the first year 10,86 per cent of the budgeted amount for SIBG was spent. This despite the fact the Department committed R141 million more than the budget for that year.³⁴ None of the unspent funds for that year were carried forward to the following year.³⁵ This effectively reduces the funds allocated to the grant, and therefore the funds available to meet the targets in 2012/13. Essentially, the 2011/12 commitments had to be paid from the 2012/13 budget.

In the second year a similar trend is seen. Only about 23 per cent of the grant was spent in that year, with substantial contractual commitments

31 Parliamentary Monitoring Group, DBE presentation to Parliament dated 29 May 2012 (Hearing on Fourth Quarter Conditional Grant).

32 Parliamentary Monitoring Group, DBE presentation to Parliament dated 19 October 2012 (Standing Committee on Appropriations).

33 Parliamentary Monitoring Group, DBE presentation to Parliament dated 20 February 2013 (Standing Committee on Appropriations).

34 DBE presentation to Select Committee on Education and Recreation, 12 September 2012.

35 As above.

rolled over to the following year, reducing available funds for that year's targets.

As indicated above, the DBE significantly underspent the SIBG in the first and second years, which points to the DBE's inability to manage these funds. In its 2011/12 Annual Report the Department indicates an underspending on this grant of 89,13 per cent. The Department attributes this lack of spending to 'capacity challenges among implementing agents and contractors'.³⁶ In the 2012/13 Annual Report the Department indicates that the grant was underspent by 58,4 per cent.³⁷ Reasons provided for the continued underspending of the grant remain similar to reasons provided in the previous year. In essence, the DBE seeks to shift responsibility for its poor spending performance onto the implementing agents and contractors. However, this also raises serious questions about the Department's choice of service providers and its capacity to manage contracts.

As with most infrastructure projects in government, the DBE has been under political pressure to use SMMEs and local contractors. This was reiterated at a recent meeting where members of the Standing Committee on Appropriations 'criticised the slow pace of delivery, and suggested that small, medium and micro enterprises (SMMEs) should play a bigger role in the ASIDI project'.³⁸

It is not clear where the notion that smaller contractors will deliver at a faster pace comes from. It is clear from the World Cup 2010, Gautrain and SANRAL experiences that the capacity to deliver on big infrastructure projects is available in South Africa – in large building contracting companies. However, what seems to be lacking with the replacement of inappropriate schools is the political will and international pressure to produce within given timeframes. Therefore the large building contractors, which can deliver, are being excluded from the project.

The following extracts show progress with the ASIDI targets:

36 2011/12 DBE Annual Report.

37 2012/13 DBE Annual Report.

38 'Progress on Accelerated Schools Infrastructure Delivery Initiative: Briefing by Deputy Minister & Department of Basic Education' (n 29 above).

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Period	Replacement of inappropriate schools	Electricity connection	Provision of sanitation facilities	Access to water
As at December 2012	10/49	107/190	144/237	102/173
As at March 2013	17/49	134/190	190/237	116/173

ASIDI PROGRESS ON INAPPROPRIATE SCHOOLS					
In Summary the following IAs have been appointed for implementation of the inappropriate schools on ASIDI					
Provinces	IAs Appointed	No of Inappropriate Schools /Fin yr			Total
		2012/13	2013/14	2013/14	
EC	DBSA EC	49	50		99
	IDT EC		11		11
	COEGA		24		24
	DPWEC		16		16
	TBA			32	32
Free State	DBSA FS		10		10
	IDT FS		10		10
	TBA			10	10
KwaZulu-Natal	Adopt A Schools		3		3
Limpopo	DBSA Lim		3		3
Mpumalanga	DBSA Mpu		5		5
Northern Cape	DBSANC		1		1
North West	DBSANW		1		1
Western Cape	WCED		14	11	25
Total		49	148	53	250

Source: *Parliamentary Monitoring Group, DBE presentation to Parliament dated 20 February 2013 (Standing Committee on Appropriations)*

The Development Bank of Southern Africa (DBSA) was appointed as the implementing agent for the first 49 schools in the Eastern Cape. Initial progress was slow. One of the main reasons for this appears to have been the liquidation of one company (contracted by the DBSA) and the termination of contracts with two other companies since 2011. This affected 29 of the schools.³⁹ Also, 12 companies were granted extensions due to bad weather and the non-delivery of materials causing delays.

Despite the DBSA making very slow progress on the first batch of schools allocated to it, the DBE has given them a second contract to

39 2012/13 DBE Annual Report.

manage the building of 70 schools in 2013, 50 of which are in the Eastern Cape. The fact that the DBSA is a state institution falling under the Minister of Finance makes it difficult for the DBE to enforce penalties for poor delivery performance, or even to explore contracting with other agents to manage the contracting with builders going forward.

8.3 Likely timeframes for eradicating inappropriate school structures

Below is the DBE's original plan and budget allocation for the SIBG. In the preceding section the initial planning was criticised as unrealistic and improbable. Unfortunately, more recent planning has not changed, or there has been very little subsequent planning.

Table 31: DBE inappropriate infrastructure targets and funding

R millions	2011/12	2012/13	2013/14	Total
No of schools	50	100	346	496
Grant Allocation	R 700	R 2 315	R 5 189	R 8 204

Source: *Parliamentary Monitoring Group, DBE presentation to Parliament dated 29 May 2012 (Hearing on Fourth Quarter Conditional Grant)*

The SIBG was planned to come to an end at the end of the 2013/14 financial year, by which time the DBE was supposed to have eradicated the backlogs in inappropriate school structures. However, the grant has been extended to 2015/16 with a large portion reallocated in 2013/14 to the EIG. The National Treasury notes lack of capacity as the reason for this reallocation.

Project completion has also shown poor progress, with only 0,81 per cent of the total target being completed in the first year (2011/12)⁴⁰ followed by 26,5 per cent in the second year (2012/13).⁴¹

⁴⁰ DBE presentation to Standing Committee on Appropriations, 19 October 2012.

⁴¹ ASIDI Brief, Volume 2, April 2013. Note: The brief indicates that as at end of March 2013, 17 out of 49 schools have been completed. If only four schools were completed in the 2011/12 year, the additional 13 schools completed in the 2012/13 year are from the original 49 schools' target. The correct calculation would have been to show that 17 of the 2011/12 and 2012/13 targets combined have been completed for the second year (2012/13).

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In its presentations to Parliament, the DBE has not given any indication that its completion targets will be met in the 2013/14 financial year. A recent DBE presentation⁴² claims that 27 of the first 50 schools have been completed. The DBE website does provide a list of schools and the progress of each. However, it is not clear from this list which ‘batch’ these schools are from.

In fact, in a recent statement,⁴³ Equal Education argued that the DBE has been misleading in its recently launched ‘one school a week’ campaign. A report completed by Africa Check for Equal Education, revealed that the schools being ‘handed over’ by the DBE have actually been open and functional for some time prior to the official handing-over, whereas others were not fully complete at the time of being handed over.⁴⁴

Eleven of the schools that Africa Check contacted revealed that they were in use months before they were “handed-over” or “delivered” by the department. Construction work on at least two schools has not been completed. In one case, a school that has been officially opened still does not have piped water a year after construction apparently finished.

Africa Check makes the point that the ‘one school a week’ campaign says more about the Department’s ability to plan official openings than it does about its ability to deliver new schools.

Even if the Department’s campaign of ‘one school a week’ is what they say it is, it is flawed in itself. At a rate of one school a week, the DBE will only deliver 52 schools a year. If we assume that only 27 of the 510 schools targeted have been completed, it will take nine years (from the start of its one school a week campaign in July 2013) for the DBE to complete the backlog.

42 DBE presentation to Standing Committee on Appropriations, 20 August 2013.

43 ‘Statement by Equal Education, civil rights movement, Africa Check exposes DBE’s “One School per Week” Campaign’ 9 October 2013, available at: <http://www.polity.org.za/article/ee-statement-by-equal-education-civil-rights-movement-africa-check-exposes-dbes-one-school-per-week-campaign-09102013-2013-10-09> (accessed 11 February 2014).

44 ‘Africa Check: Is South Africa’s education department really delivering a new school a week?’ *Daily Maverick* 9 October 2013, available at: <http://www.dailymaverick.co.za/article/2013-10-09-africa-check-is-south-africas-education-department-really-delivering-a-new-school-a-week/#.Unm4-fkwq5M> (accessed 11 February 2014).

9. PERFORMANCE OF THE EDUCATION INFRASTRUCTURE GRANT

9.1 Planning related to the grant

The following is from the DBE's 2013-14 Annual Performance Plan.

5.2.5 Education Infrastructure Conditional Grant to Provinces	
Purpose	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, address schools affected by disaster and enhance capacity to deliver infrastructure in education.
Performance indicator	Timely delivery of all planned infrastructure.
Continuation	Backlogs should be dealt with by 2013/2014 financial year.
Motivation	The grant has been awarded to ensure that all schools reach basic functionality levels.

It was envisaged that the DBE would coordinate the implementation of these infrastructure grants to ensure that provinces managed their entire education asset stock efficiently and effectively.

Key to the success of these grants is the institutionalisation of best-practice infrastructure procurement practices that lead to the packaging of many small- and medium-sized infrastructure projects into single projects, which are delivered through a single contracting process.⁴⁵

The Division of Revenue Act requires that the receiving officer (HOD of the PED) of the EIG must publish a list of infrastructure projects that will require full or partial funding from the grant in a format determined by the National Treasury. Provincial infrastructure projects are currently available on the DBE's website for 2011 and 2012.⁴⁶ Not all the provinces comply with the Treasury's format.

The table below indicates the frequency of projects (new and replacement) in a particular range of project value. This gives an indication of the size of projects being implemented by the different provinces. From

⁴⁵ Annexure W1 (n 24 above) 25.

⁴⁶ As at 5 November 2013 no provincial infrastructure lists were available on the DBE website. In prior years lists were published around June or July of that year.

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the table it is evident that the Eastern Cape and Northern Cape have the majority of their projects falling in the R0 to R15 million range, whereas the Western Cape and Gauteng provinces have the majority of their projects falling between R15 million-R30 million and R30 million-R45 million respectively.

Table 32: Number of new and replacement projects, 2012

	Number of projects in range					
	0 - R15m	R15m - R30m	R30m - R45m	R45m - R60m	R60m - R75m	Above R75
Eastern Cape	857	22	3	2	2	2
Free State	0	3	6	2	0	0
Gauteng	5	3	11	3	1	3
KwaZulu Natal	74	3	1	0	0	0
Limpopo						
Mpumalanga	26	2	13	2	2	2
Northern Cape	542	11	10	2	2	0
North West	9	27	3	1	2	1
Western Cape	4	41	17	0	2	0

Source: Provincial infrastructure plans 2012

This indicates that the Western Cape and Gauteng provinces are focusing on building much larger structures than the other provinces. It is also noticeable how many new and replacement projects are undertaken by certain provinces compared to others. Provinces must ensure proper oversight and quality control in order to ensure that the schools are completed on time and are of an acceptable quality.

The infrastructure plan from the Eastern Cape PED is possibly the most problematic of all the provinces. Not only does the plan make provision for just over 2 000 infrastructure projects (including refurbishment, maintenance, and the like), but it includes projects that were meant to end some years before 2012 and yet funds are allocated to such projects in the 2012 MTEF. Some projects are also repeated from 2011, although this is common practice as projects are concluded over a number of years. However, some of these repeated projects have had their timeframes adjusted to either longer or shorter periods of time. For

instance, a project in 2011 at the Bonvini School in the Nyandeni Municipality was initially planned to take just one year to complete. In 2012 the same project was projected to take four years, ending in 2015. It is not clear why the projected timeframe has changed so drastically. There are many similar examples of this kind. These examples point to both poor planning and poor project/contract management.

Monitoring of so many projects cannot be easy. Some projects can undoubtedly 'go under the radar'.

9.2 Spending and delivery progress of the EIG

The 2011 and 2012 EIG frameworks do not indicate any past performance measures since it was a new grant. In the 2013 Division of Revenue Bill, however, the grant framework indicates the following 2011/12 audited financial outcomes:

- R5 498 million was allocated;
- The allocation was adjusted by R180 million for schools affected by disasters in 2010/11;
- Of the total R5 678 million adjusted budget, R5 361 million was transferred to provinces with R367 million withheld from the Eastern Cape;
- The spending was R5 254 million, or 93 per cent of the adjusted allocation.

The reason for the R367 million withheld from the Eastern Cape was that the PED had failed to spend in the previous financial period. The provincial department seemed to have learnt its lesson, as it spent 97 per cent of the funds transferred to it in the 2011/12 financial year. All provinces managed to spend most of their funds that year, with some provinces spending more than they received. This indicates that the PEDs seem to be better equipped to spend their infrastructure funding than the DBE, and justifies the decision to transfer funds from the SIBG to the EIG in the 2013 MTEF.

The following table indicates some of the infrastructure that provinces have 'purchased' with the IGP and, more recently, the EIG funding since 2009.

Table 33: Number of schools built since 2009

	New schools	Classrooms
Eastern Cape	34	143
Free State	34	179
Gauteng	62	455
KwaZulu-Natal	27	405
Limpopo	16	826
Mpumalanga	33	872
Northern Cape	6	38
North West	15	59
Western Cape	9	445
Total	236	3422

The list above refers to new schools or existing schools provided with new buildings.

The classrooms completed refer to additional classrooms to existing schools.

Source: PMG, Minister of Basic Education's reply to Parliament 17 August 2012 (internal question paper 24/2012)

The data in the table above was provided by the DBE. It does not, however, correspond to data published by the Eastern Cape PED in its 2011/12 Annual Report. The Department claims to have built 394 additional classrooms (by building or extending 75 schools) in the previous year (namely 2010/11).⁴⁷ In other words, the Eastern Cape PED reported that more schools and classrooms were built or extended in one year than the total number reported for the three years covered by the DBE in its parliamentary response.

There seems to be either a lack of capable infrastructure tracking by the national and provincial departments, or a lack of communication between the two spheres of government. What makes this lack of consistency even more concerning is the fact that during the period in question national government, through the Minister of Basic Education, was managing a section 100 intervention in the Eastern Cape PED: the Minister had taken over executive accountability for planning and reporting by the Eastern Cape PED.

⁴⁷ Eastern Cape Provincial Education Department, Annual Report 2011/12 58.

Despite this, the DBE has the duty to oversee and monitor all PEDs, and therefore the duty to have the systems in place to ensure that quality data on school infrastructure is collected and accurately reported.

10. CONCLUDING POINTS

In the introduction a number of key questions were raised related to the funding and delivery of school infrastructure. By way of conclusion, we seek to answer each of these questions briefly:

1 What is the school infrastructure backlog and what progress has been made in reducing it?

- There have, until recently, not been any norms and standards for school infrastructure. There has also been an absence of reliable information on existing school infrastructure. This has resulted in it being impossible to work out what the school infrastructure backlog is.
- The school infrastructure backlog needs to be broken down into the following components:
 - Backlog in schools – namely providing access in underserved areas
No recent information; it changes due to the impact of migration
 - Backlog in inappropriate school structures
Four figures have been given: 396, 492, 496 and 510 (most recent)
 - Backlog in classrooms – namely dealing with the challenges of overcrowding
Estimated between 15 000 and 33 000 in 2006, but information base is poor
 - Backlog in basic services
Various, but generally very large, see Table 10 above
 - Backlogs in school furniture, such as desks and chairs⁴⁸
(this was not the focus of the study)
 - Backlogs in specialised facilities such as libraries, science labs, computer labs, fences and sporting facilities
(these were not the focus of this study – but they are very large)

48 The LRC is assisting the Centre for Child Law and several schools to approach the Eastern Cape High Court for an order of compliance with an earlier order that furniture be delivered poor schools in that province.

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- Backlog in maintenance of existing infrastructure.

No recent information, but information from 2006 indicates a very large number of schools are in a poor to very poor state.

- Available information indicates that backlogs in all these areas are substantial, but that progress is being made to address the first five of them. There is evidence that backlogs in maintenance are worsening.

2 **Who is responsible for the management of the different funding streams for school infrastructure?**

- Primary responsibility for budgeting for the provision of school infrastructure rests with the provinces. They are also responsible for managing the spending of such funds, but often use agents such as public works departments to do so.
- National government, through the IGP and now the EIG, has allocated, and continues to allocate, substantial conditional grant funding to provinces to assist with the provision of school infrastructure. These funds are managed by the PEDs, but the DBE is supposed to exercise oversight of them (but does so very poorly).
- National government, through the SIBG, is allocating substantial conditional grant funding towards the eradication of inappropriate school structures and addressing backlogs in basic services. This grant is managed directly by the DBE, which has appointed a number of agents to assist it, including the DBSA, Mvula Trust, Eskom and a number of PEDs.

3 **How have the funds available for school infrastructure been spent?**

- Generally the PEDs' spending of school infrastructure budgets has been good, with the exception of the Eastern Cape and more recently Limpopo.
- The big concern is the DBE's ability to spend the SIBG, where spending in 2011/12 was a little over 10 per cent and in 2012/13 only about 41,6 per cent.

4 **What are the reasons for any underspending of funds?**

- The primary reasons for the Eastern Cape PED not being able to spend its allocated budgets for infrastructure appears to be a severe understaffing of its infrastructure unit and poor planning. In 2011/12 the DBE seconded a number of officials to the unit and spending improved substantially.

- The DBE's underspending of the SIBG is due to poor capacity within the Department to manage an infrastructure programme of this size. The Department does not have past infrastructure planning and management experience. As a result, there were delays in appointing agents to manage the work. There have also been challenges with the implementation of the actual contracts, with delays caused by poor initial planning, bad weather and certain contractors going bankrupt.
- The lack of capacity within the DBE at the time the grant was introduced raises questions as to the wisdom of Cabinet's decision to make the Department responsible for a new infrastructure programme of this magnitude.

5 What is a realistic timeframe for clearing the backlog in school infrastructure, given the current levels of funding and existing school infrastructure plans?

- There are indications in the 2013 Budget Review that national government has tentatively allocated R48 billion to the SIBG and R92 billion to the IEG to be released over the next number of years, subject to the availability of funds and the ability of the education sector to spend the funds. It would seem that funding is currently not a constraint.
- A realistic timeframe for the eradication of schools with inappropriate structures is probably 2023/24 given current delivery rates. This could change if pressure is brought to bear on the DBE to structure its contracts in a way that attracts big construction companies to either do the work directly or manage the sub-contracting. This would allow for the inclusion of penalty clauses in the contracts for non-delivery, something that is not possible with the DBSA, in which case the end date could be as early as 2015/16.