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The Fragmented Implementation of Scholar Transport in South Africa

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The fragmented implementation of scholar transport in South Africa

Introduction

The Bill of rights requires the state to provide or make educational facilities available to all children in South Africa. It is unfortunate that a large number of school going children in South Africa have to travel long distances to reach the nearest school, at times they walk for distances of more than 5km per single trip. Lengthy travel times subject learners to late arrival, fatigue, lack of concentration and various safety hazards. The combination of these consequences and impacts from socioeconomic issues including but not limited to poverty, grade repetition, low quality education, family structure and cultural stereotypes may ultimately result in school drop out. This overall consequence is particularly prevalent in rural areas where there is a lack of infrastructure. Learners may be forced to abandon school since it is impractical to walk to and from school and or the cost of travelling is too expensive.

Recognising the responsibility of government to uphold children's right to basic education, government introduced the scholar transport programme. The purpose of the programme is to increase access to education through the provision of transport services to learners who travel long distances to reach the nearest school. This programme was set up as a joint function of national and provincial government where the national sphere is responsible for policy development while the provincial sphere is responsible for programme implementation.

Below are findings from an analysis of scholar transport implementation and the associated challenges thereof. The first section which forms the premise of this report identifies the problem statement and policy frameworks informing the perceived roles and responsibilities of both provincial departments of education and transport. The second section studies the status quo in terms of implementation methods, expenditure trends and performance monitoring. In the third section, an ideal cost model for the programme is developed and a number of scenarios presented. Lastly, in section four a number of possible savings are identified and the report is concluded with recommendations informed by findings in the report. In the report below, the terms scholar transport and learner transport will be used interchangeably.

Problem statement

A large number of school going children face the challenge of having to travel long distances to reach schools. In urban areas some learners walk to school since their families can't afford to pay for transportation services although transport infrastructure and a variety of transport modes are available. Challenges for learners in rural areas seem to be quite heftier such as the lack of transport

infrastructure which limits the variety of transport modes available. The walking distance to school is often on dangerous routes and this places the safety and wellbeing of learners in jeopardy.

The scholar transport programme was developed on a premise which has never been guided by national policy. Both provincial departments of education and transport have taken up the task of implementing scholar transport due to a lack of clear and separated roles and responsibilities. Since inception provinces have had the independence and discretion of implementing scholar transport. However, in certain provinces the programme has been implemented in the absence of a documented policy with Gauteng, KwaZulu Natal, Limpopo and Western Cape being the only provinces which have documented policies.

Underlying policy and legislation

Although section 85 (2) (b) of the constitution mandates the President and other Cabinet members (particularly Ministers) to develop and implement national policy, there is no central policy to govern scholar transport in South Africa. A number of draft national policies have been developed in the past but have yet to be finalised and promulgated. The latest available draft policy titled the *Draft National Learner Transport Policy* was developed through collaborative inputs by the national Department of Transport (DOT) and Department of Basic Education (DBE). This draft policy was published for public comment in November 2014.

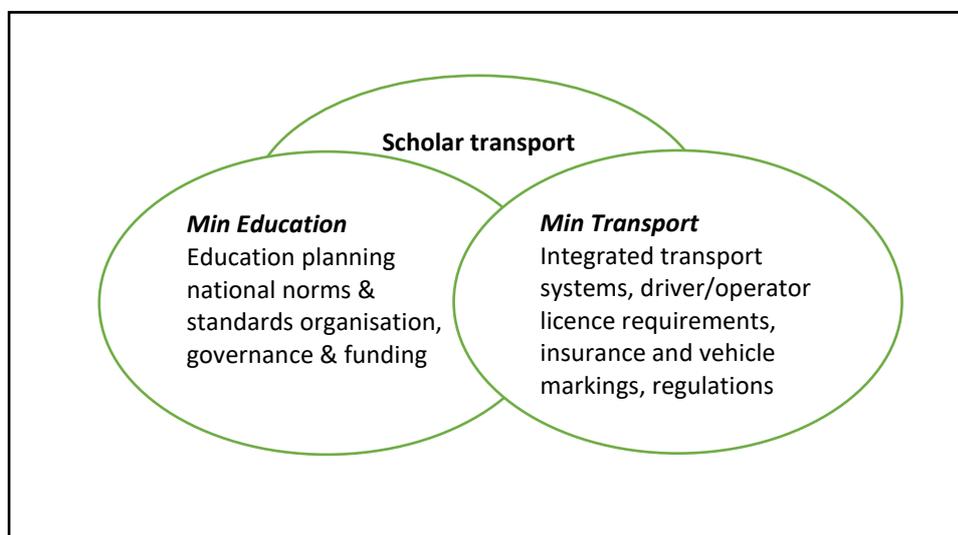


Figure 1: Roles and responsibilities of Education & Transport departments

Collaboration in drafting the policy document is a result of the overlapping mandates of both DOT and DBE. The Minister of Education is mandated to ensure that children have access to basic educational facilities. The *National Education Policy* mandates the Minister of Basic Education to determine

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national norms and standards for educational planning, provision, governance, monitoring and evaluation. The provision of scholar transport therefore falls within the scope of this mandate. In addition, the *South African Schools Act* also requires the Minister to organise, govern and fund schools. Various policies require the Minister of Transport to get involved with scholar transport, such as the *White Paper on National Transport Policy* which obliges the Minister to ensure that scholar transport is part of an integrated transport network system. The Minister is also required to prescribe requirements for the supervision of scholars, driver/operator licencing documentation, vehicle markings and regulations. The diagram below depicts overlaps between education and transport departments at national level. These overlaps also represent the provincial situation.

The *Draft National Learner Transport Policy* aims to establish a cohesive approach to implement scholar transport, clearly distinguish the roles and responsibilities of the two departments and develop norms and standards for scholar transport across all provinces. Although the policy aims to eliminate duplication of functions, ambiguity and disparities, the policy still encompasses unclear and joint roles and responsibilities. For instance, both provincial departments of education and transport independently have the same responsibilities. First, they are responsible for developing learner transport plans. Second, they are responsible for route designs. Third, they are responsible for the procurement of operators and their management thereof. These responsibilities entail that each respective department has the discretion of determining how the programme will be run. The policy also fails to distinguish scholar transport services and norms and standards for urban and rural areas. If this draft policy was to be approved and legislated as is, programme implementation would still be fragmented across provinces.

The current state of affairs

Currently, scholar transport (also referred to learner transport) is implemented by the transport departments in Mpumalanga, Northern Cape & North West province while the programme is implemented by the department of education in Free State, Gauteng, Limpopo and Western Cape. It was found that in the Eastern Cape and KwaZulu Natal the implementation of scholar transport is carried out by both education and transport departments. There appears to have been a general consensus for the migration of the function scholar transport from education to transport departments. The migration to transport departments stems from the need to integrate scholar transport into the transport network systems. The aim is to ensure that scholar transport services operate within existing transport network systems and improve the safety of learners.

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Public schools with potential scholar transport beneficiaries will accept and process applications which will be forwarded to the relevant provincial department for approval. The responsible provincial department will determine routes and time schedules and appoint operators (drivers) who will be responsible for transporting learners to and from respective schools. Aspects such as the development of a selection criteria for learners and schools, remuneration for operators, nature and length of contracts with operators are also significantly different and are not clearly documented.

At national level, only the DOT makes provision for scholar transport in their annual budget. Funds for the scholar transport in the DOT are reflected in *Programme 7: Public Transport – Subprogramme 2: Rural and Scholar Transport*. These funds are allocated to fund policy development and programme implementation and monitoring. On the other hand, provincial departments fund scholar transport from each provinces’ equitable share allocation. Scholar transport allocations are then reflected in the budget programme: *Public Ordinary Schools* and or *Independent Schools* for departments of Education. Transport departments show scholar transport allocations in allocation in the budget programme: *Transport Operations*. Provincial departments then fund all programme related expenses from this budget. A large portion of the budget allocation for scholar transport is used for the remuneration of operators who are private sector service providers. Operators are contracted based on different service level agreements and thus their remuneration packages are differentiated.

An interesting dimension to the provision of scholar transport is the question of whether it is sufficient and correct for the programme to only focus on transporting learners to the nearest schools without considering whether the nearest schools are the right schools in terms of school infrastructure, quality of education, classroom size and the number and calibre of teachers available. Do current provincial policies allow for school preferences or does it subject all beneficiaries to nearest schools regardless of school conditions?

Logical framework and Performance outcomes

Conceptualising the programme design as is whilst also identifying possible gaps for improvement has uncovered the need for strengthening monitoring and evaluation. The programme design for scholar transport is depicted in figure 2 below.



Figure2: Programme elements

At a national level, both departments of Transport and Basic Education jointly responsible for developing a national policy for scholar transport. This entails collaboration between the two departments in doing some policy research and developing institutional arrangements. It is vital that departments clearly distinguish roles and responsibilities to avoid duplication and inefficiencies, previous draft policies have failed to adequately address this issue.

To measure progress on policy development, the department of Transport has indicators to track different stages of engagement sessions and the approval processes thereof. For instance, the DOT has the following indicators: *National learner transport policy approval by stakeholders and DG; National learner transport policy approved by COTO; Finalise the drafting of the policy and gazette for public comments & Cabinet approval of policy.* The shortfall arises in indicators to monitor policy and programme implementation. The DOT & DBE should consider providing provincial departments with technical capacity for the implementation. It would also be useful to pilot programme implementation based on new policy principles to identify challenges which can be mitigated before all other provinces implement new policy prescripts.

A prevalent issue across provinces is the lack of expenditure and performance monitoring and reporting systems. There is no trace of reporting on scholar transport at national level. At most, provincial departments report on total expenditure incurred for the year and the number of learners benefiting from the programme. For those provinces which provide a bit more performance details, they report on the number of operators contracted, the number of schools benefiting from the programme, the number of kilometres travelled and the number of routes monitored. However it would be useful for provinces to also track indicators such as percentage of applications processed; percentage of qualifying beneficiaries enrolled; percentage of on-trip breakdowns per year; number of vehicle inspections per quarter and the percentage trips running on time per year.

Expenditure analysis

BAS reports over a three year period from 2012/13 – 2014/15 reveal expenditure levels as depicted in the figure below. The diagram depicts expenditure levels at national and provincial level. In aggregate, approximately R5 billion was spent on scholar transport for the period under review. Expenditure from national government to the amount of R24.9 million refers to expenditure incurred for policy

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development. This allocation is housed in the budget for public transport in the national department of transport. For provincial expenditure, Mpumalanga has spent the most on scholar transport with average expenditure amounting to R446.5 million. Expenditure levels in the Eastern Cape, Gauteng and Western Cape are also quite high however, spending levels in the Northern Cape are the lowest.

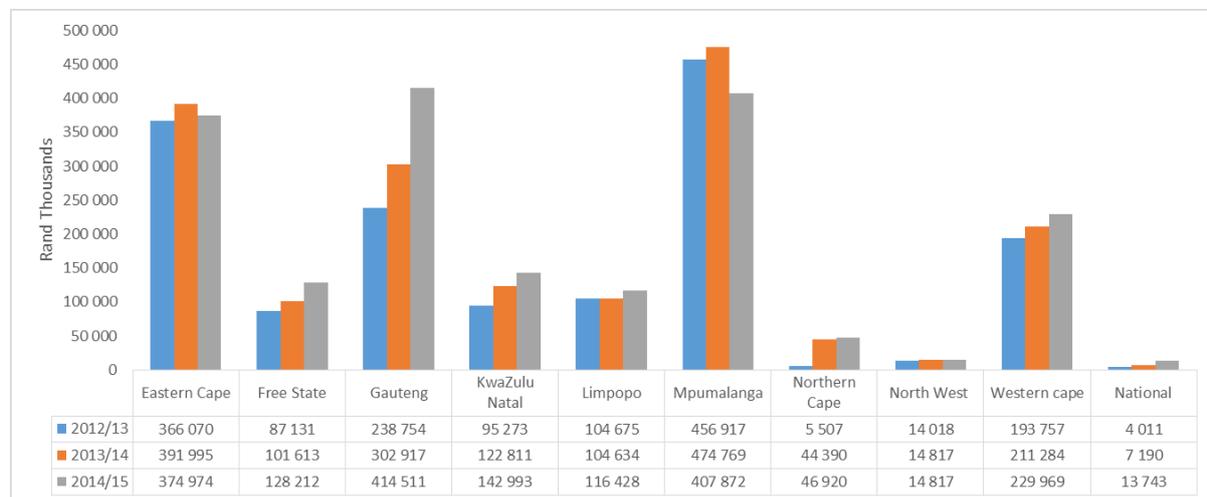


Figure 3: Expenditure on scholar transport

The largest component of expenditure is the remuneration for transport operators (drivers). Although some provincial records are broken down to reflect individual expenditure items, analysis has shown that operator remunerations represent more than 90 per cent of total allocations per province. These remuneration transfers are recorded on BAS as *Transfers to public corporations and private enterprises*. Over and above the transfers made to operators, implementing departments also spend on items such as compensation of employees for departmental staff responsible for the programme, goods and services such as advertising for tender calls for the appointment of operators, stationery, printing and publication services and computers and consultants for project management services.

Although the above expenditure items are justified in that departmental officials who are responsible for the programme may require such items in order to manage and monitor programme implementation, this study has encountered some unexpected expenditure entries. For instance, in 2014/15 the Eastern Cape recorded expenditure of R3 million for venues and facilities. Gauteng spent R82 thousand in 2013/14 for catering facilities. In Mpumalanga, a collective amount of R164.8 thousand was spent on accommodation, catering and toiletries throughout the 3 year period. It is not clear as to why there is expenditure against such items and this questions whether implementing departments are mindful of allocative efficiencies, cost containment and prudent

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financial controls. This expenditure trail serves as one of the reasons which confine scholar transport services to a select few and not accommodative of all qualifying beneficiaries.

Expenditure on Scholar transport	2012/13			2013/14			2014/15		
	Actual expenditure	No. beneficiaries	Unit cost	Actual expenditure	No. beneficiaries	Unit cost	Actual expenditure	No. beneficiaries	Unit cost
Eastern Cape	366 070 160	54 471	6 720	391 995 063	55 537	7 058	374 973 507	57 176	6 558
Free State	87 130 631	8 369	10 411	101 612 594	8 369	12 142	128 212 096	8 369	15 320
Gauteng	238 753 955	65 472	3 647	302 916 626	70 207	4 315	414 511 242	70 207	5 904
KwaZulu Natal	95 272 861	19 562	4 870	122 811 014	22 045	5 571	142 993 211	24 002	5 958
Limpopo	104 674 918	19 631	5 332	104 633 627	19 631	5 330	116 428 101	19 631	5 931
Mpumalanga	456 917 229	66 615	6 859	474 769 166	66 615	7 127	407 872 082	66 615	6 123
Northern Cape	5 506 645	23 568	234	44 390 000	22 756	1 951	46 920 230	22 756	2 062
North West	14 057 595	46 111	305	14 816 705	46 111	321	14 816 705	46 111	321
Western cape	193 756 992	50 521	3 835	211 284 347	50 209	4 208	229 969 225	52 558	4 376
National	4 010 864	-	0	7 189 686	-	0	13 742 962	-	0
Total	1 562 140 985	354 320	4 409	1 769 229 142	361 480	4 894	1 876 696 398	367 425	5 108

Table 1: Expenditure and beneficiaries

To construct the table 1 above the following assumptions have been made. First, the 2014/15 Northern Cape expenditure is calculated by increasing the previous year's expenditure level by the 2014 annual CPI rate of 5.7%. Similarly, the 2012/13 expenditure for North West was calculated by discounting the 2013 annual CPI of 5.4% from the expenditure level of 2013/14. These assumptions were made since there are no expenditure records on BAS. The second assumption made was that of holding the number of beneficiary's constant (either from 2012/13 or 2013/14) for provinces whose annual reports aren't available on the respective websites. This assumption has been applied to the Free State, Gauteng, Limpopo and Northern Cape. It should be noted that although the number of beneficiaries for Mpumalanga and North West is constant over the 3years, no assumption were applied. These outcomes are as per the respective provincial annual reports.

The above table shows that the all three variables i.e. expenditure, number of beneficiaries and unit costs are on an incremental growth path from 2012/13-2014/15. The average growth rate in expenditure is 9.6 per cent, 1.8 per cent for beneficiaries and 7.6 per cent for unit costs. Mpumalanga and Eastern Cape spend the most on scholar transport, with an average unit cost of R6.7 thousand per learner for the transportation of 66 000 and 55 000 learners per year. However, the highest unit costs are found in the Free State where it cost an average R12.6 thousand to provide scholar transport services to one learner in this province. Unfortunately, detailed components of this expenditure are aggregated together in one entry as goods and services-transport of scholars. In contrast, the Northern Cape has the lowest unit cost over the 3 year period, it costs an average of R1.4 thousand to transport each learner. The credibility of available data is questionable for provinces such as the North West where data suggests that it only costs an average of R316 to provide one learner with transport services to reach school for an entire year. These results are highly unlikely and are due to the lack of relevant and updated information in the provinces annual reports.

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Cost model

The cost model developed for scholar transport is based on 5 assumptions. 1) Amounts paid to scholar transport operators: a percentage of total programme costs are dedicated to Compensation of Employees and other Admin Costs. These percentage proportions are discounted from total programme costs. 2) Percentage of total expenditure on scholar transport programme dedicated to Compensation for Employees and Administration costs: proportions are based on operational caps norms and standards for conditional grants and other transfers in the public sector. 3) The amount payable to an operator for each kilometre travelled regardless of the number of learners transported: this assumption is based on 2014/15 figures derived from the 2016 special audit report of the Auditor-General on the scholar transport programme in the Eastern Cape. 4) The amount payable to an operator for each learner transported regardless of the kilometres travelled: this assumption is based on 2014/15 figures derived from the 2016 special audit report of the Auditor-General on the learner transport programme in the Eastern Cape. 5) The ratio of learners transported to kilometres travelled: the ratios assign weights to each component in intervals of 0.05 per cent adding up to 100 per cent of the tariff.

In the model one is able to change the province variable across all 9 provinces. Essentially the model calculates as per assumption how much scholar transport services should cost in each province. The largest component however as mentioned in the previous section is payments to operators and this fact is also evident in the cost model.

For instance, in the Eastern Cape it should cost an approximate total of R373 million per year to transport 57 000 learners on a school calendar year of 199 days when admin related costs are assumed to contribute only 2 per cent of the budget. Under this assumption, it costs R1.65 per day to transport a learner to school irrespective of the kilometres travelled while the cost per kilometre travelled is R21.55 irrespective of the number of learners transported.

Similarly, in Gauteng it should cost about R419 million per year to transport 70 200 learners on a school calendar year of 200 days when admin related costs are assumed to contribute only 4.5 per cent of the budget. Under this assumption, it costs R6.59 per day to transport a learner to school irrespective of the kilometres travelled while the cost per kilometre travelled is R18.14 irrespective of the number of learners transported. The above scenarios show that it the cost per learner is cheaper in the Eastern Cape as opposed to Gauteng but the cost per kilometre is more expensive in the Eastern Cape than it is in Gauteng. A general observation is that kilometre tariffs are as should be expected more expensive in rural areas where there is a lack of infrastructure which causes transportation costs to be high.

Conclusion

Savings

Possible savings could be realised by reducing the proportion of administrative costs and cutting unnecessary costs such as expenditure for venue facilities, accommodation, (air) travel and subsistence and food and beverages. It could also serve purposeful to negotiate and or structure

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payment arrangements to either make payments based on either learner tariffs or kilometres travelled. It may be cheaper to use only one tariff. Provinces in urban areas should make use of kilometre tariffs since they have transport infrastructure available, while provinces in rural areas should only use learner tariffs as their basis for remuneration rates. In provinces which are partly rural and partly urban, the relevant provinces should determine the most cost effective split between learner and kilometre tariffs.

Recommendations

To improve scholar transport, both national and provincial departments should consider the following:

- The national DOT and DBE should finalise the national scholar transport programme;
- The national DOT and DBE should first pilot the programme as per new policy to test applicability and identify any possible challenges;
- The national DOT and DBE should offer technical assistance to provinces for the implementation of scholar transport;
- Provincial education departments should relinquish the scholar transport function to transport departments as per general consensus;
- Both national and provincial departments should intensify expenditure and performance reporting, monitoring and evaluation;
- Both national and provincial departments should review their performance indicators to ensure they track valuable information;
- Operator contracts should be designed flexibly to ensure provinces have the discretion to structure operator remuneration in terms of learner or kilometre tariffs;
- Reduce administrative costs and expenditure on support service;

Although this reported is limited to a 3 year analysis period, quite a number of findings have been uncovered. This report has attempted to demonstrate how each province has the discretion to implement scholar transport. In the absence of a national policy and the lack of documented implementation policies, the report has found a range of expenditure, beneficiary and unit cost. All of which however seem to have experienced positive growth trends.

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