

Efficiency and Safety in Learner Transportation

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**SECTOR: CLUSTER: EDUCATION AND OTHER
RELATED DEPARTMENTS**

PROVINCE: GAUTENG

Summary

A Performance Expenditure Review (PER) on scholar transport programme of the Gauteng Province was undertaken to assess the sustainability of the programme. The question on the sustainability of the programme was triggered by the constant growth in learner numbers which is the main cost driver of the programme.

In terms of the analysis conducted the findings can be summarised as follows:

The beneficiaries of the programme are learners from poor communities and farms who generally travel a single trip of 5 kilometres or more to the nearest school. For the past four years, the beneficiaries have increased year on year by a compounded aggregate growth rate (CAGR) of 9.4% percent due to population growth. The programme benefitted 94 600, 99 001, 111 053 and 123 726 learners in years 2015/16, 2016/17, 2017/18 and 2018/19 respectively.

The route determination was prior to 2017/18 financial year handled by the line function responsible for the delivery of the programme (scholar transport unit) within the Gauteng Department of Education (GDE). This changed in the 2017/18 and was handled within the procurement unit of the GDE.

Since 2017/18 the GDE's spending on the scholar transport programme has significantly increased by R 249 million or 43.9 percent while learner numbers only increased by 12.2 percent. The unit cost per learner when comparing the financial years 2016/17 to 2017/18 moved from R 5,681.91 per learner to R 7,316.61 per learner. The four years historic spending between 2015/16 and 2018/19 amounts to R 545 million, R 568 million, R 817 million and R 899 million each year respectively. The increased spending is attributable mainly to changes made on allocation of routes and increases in learner numbers benefiting from the programme.

The historic estimated kilometres claimed amounts to 387 064 888 (2015/16), 401 796 523

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(2016/17), 580 379 325 (2017/18) and 638 260 961 (2018/19). The rate paid to transport operators has remained the same since 2014 posing challenges to the effective operation of the programme.

The rate per kilometre as paid to bus operators has remained the same since 2014/15 at R 1.40 per kilometre. To sustain the programme, the rate per kilometre needs to be increased with R 0.24 to be within the current budget in the next two years with the outer year in need of additional R20 million. The causes of the changes in the kilometre claims between 2016/17 and 2017/18 need to be investigated as there may be possible inefficiencies. Municipalities need to contribute to ideas on reduction of scholar transport cost through the scholar programmes they are running such as *Shova Kalula* project and bus coupon subsidies.

Given the possible rate increase due to operators' demand, it essential to consider the above recommendation as the programme sustainability needs urgent decision on how the programme will continue to run going forward.

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1. Introduction

The Performance and Expenditure Review (PER) of the scholar transport programme in the GDE is undertaken to assess whether the programme is sustainable. For this review, Special Schools subsidy which caters for the learner transport programme of learners with disabilities, Municipal Shova Kalula project and bus coupon subsidies have been excluded. The district based officials responsible for the programme have also been excluded. Additional data will need to be sourced on the special schools and municipalities learner transport programmes to be included in the report. The district data is also not available on the system as such will require an additional research into costs associated with the programme.

The programme aims to provide access to education by providing transport to all learners who would normally walk more than 5 kilometres to the nearest public school. The programme has resulted in improved learner attendance as reported in the quarterly and annual reports of the GDE, as well as contributed positively to the culture of teaching and learning. The programme is targeting public secondary and primary schools, serving the poorest communities with priority given to farm, rural and informal settlements.

National Learner Transport Policy (NLTP) of 2015, Annual reports of the GDE, BAS data and management accounts were utilised to assess the implementation of programme and performance. Given the programme is centrally located within scholar transport directorate in the GDE, data mining had minimal challenges.

The main finding on the programme which may lead to future challenges relate to 43.9 percent spike in expenditure in 2017/18. This is linked to the tender awarded in the year, growth in learner numbers and changes introduced on route allocation. The tender was awarded with new routes as determined by the GDE procurement unit. The previous routes were determined by scholar transport unit. This changes may have resulted in inefficiencies in terms of route

allocation. A comparative study needs to be undertaken to establish what was done differently. Given the rate per kilometre has not been adjusted since 2014, there is currently a request by bus operators' association to increase the rate which may lead to the programme being unaffordable.

2. Policy and Institutional Information

Transportation of learners to their respective schools has always been a key challenge confronting government in South Africa. The Department has through various studies, such as the National Household Travel Survey (NHTS) of 2013, and interactions with affected stakeholders noted that most learners have difficulty in accessing schools in both urban and rural settings.

The Gauteng scholar transport programme is guided by the National Learner Transport Policy (NLTP) of 2015. The policy was developed in response to constitutional mandate to develop and implement transport policy as assigned to the Department of Transport (DoT). In terms of the mandate, the Department must ensure that transport policy development addresses the mobility needs of all citizens.

The NLTP is guided by the White Paper on National Transport Policy (1996), the National Land Transport Strategic Framework (NLTA), the National Development Plan (NDP) and other legislation such as the National Road Traffic Act (NRTA), the South African Schools Act (SASA), and the Children's Act.

The Department of Transport in collaboration with the Department of Basic Education takes the lead in setting the policy direction. The Provincial Education/Transport Department is responsible for the development of strategies and implementation plans of the programme while, Community Safety is responsible for general traffic legislation. The implementation plan

also considers factors such as qualifying distance (5 km single walking distance) and compelling circumstances for learners who walk less than 5 km (e.g. learners crossing busy highways).

National Inter-Departmental Committee (NIDC) has been established to oversee and monitor the implementation of the policy in line with the key performance indicators developed. The NIDC comprise of the representatives from the National Department of Transport, National Department of Basic education and provinces. The NIDC report to the Ministers of Transport and Basic Education on the overall implementation of the learner transport programmes.

At the provincial and local level, institutional mechanisms (see below table) have been established to foster integrated planning, effective monitoring and delivery of learner transport services. These institutional mechanisms will endeavour to achieve the objectives set out in the policy. All relevant stakeholders are part of these structures including the provincial Departments of Transport and Education, School Governing Bodies (SGBs), municipalities and law enforcement authorities.

ROLES AND RESPONSIBILITIES OF DEPARTMENTS IN THE PROVINCE	
<p style="text-align: center;">EDUCATION</p> <ul style="list-style-type: none"> ⌚ Identification of schools and learners ⌚ Identification and approval of routes ⌚ Provide number of learners to benefit ⌚ Evaluate the impact of learner transport programme on teaching and learning ⌚ Monitor and evaluate the programme ⌚ Procurement and payment of service providers transporting learners 	<p style="text-align: center;">TRANSPORT</p> <ul style="list-style-type: none"> ⌚ Establish joint task team through Inter-Governmental Relations structures ⌚ Provide secretariat support to the joint task team ⌚ Provide policy drafting expertise to the drafting the Provincial implementation plan ⌚ Channel all Transport related matters pertaining to learner transport to relevant departments. <p style="text-align: center;">COMMUNITY SAFETY</p> <ul style="list-style-type: none"> ⌚ Law enforcement and road-worthiness of buses. ⌚ Testing of buses.

3. Programme Chain of Delivery

Learner Transport Programme in Gauteng Province is currently being implemented by the Gauteng Department of Education (GDE) in collaboration with the Gauteng Department of Roads and Transport (GDRT) and Gauteng Department of Community Safety (GDCS).

The GDE as the main implementing Department is responsible for most of the activities of the programme (see Annexure 1 on logical framework matrix). The activities the GDE is responsible for have three outputs which is approved implementation plan, contracted learner transport operators and learners transported.

1. Approved implementation plan involves the following activities:
 - a. Conducting of needs analysis to identify schools and learners that will benefit from the programme.
 - b. Mapping of routes to equitably reach deserving learners and maximise the impact of the programme.
 - c. Drafting the learner implementation plan which covers policy imperatives and respond to unique challenges of Gauteng Province.
 - d. Engage stakeholders on the draft provincial learner transport implementation plan.
 - e. Estimation of the cost of implementing the provincial learner transport plan.
2. Contracted learner transport operators activities include:
 - a. Issuing a call for proposals (tender) for learner transport services through the tender bulletin, etc.
 - b. Dissemination of information on approved route which includes descriptions, timetable, stops, learner numbers and ranks to districts and schools.
 - c. Screening and selection of the learner transport providers.
 - d. Contracting subsidised learner transport through signing of service level agreements, issue of routes with learner numbers and distances involved, etc.

3. Learners transported involves:

- a. Picking up and dropping of learners at identified bus stops and schools through the contracted bus operators.
- b. Verification and review of invoices from the learner transport operators against learner list forms and working database.
- c. Monitor and evaluate the implementation of provincial learner transport programme.
- d. Report on the implementation of the provincial learner transport programme.

The GDRT activities include

- a. Establishing joint task team through Inter-Governmental Relations structures
- b. Provision of secretariat support to the joint task team
- c. Provision of support in the drafting the Provincial Scholar Transport Implementation Plan
- d. Channel all Transport related matters pertaining to learner transport to relevant departments.

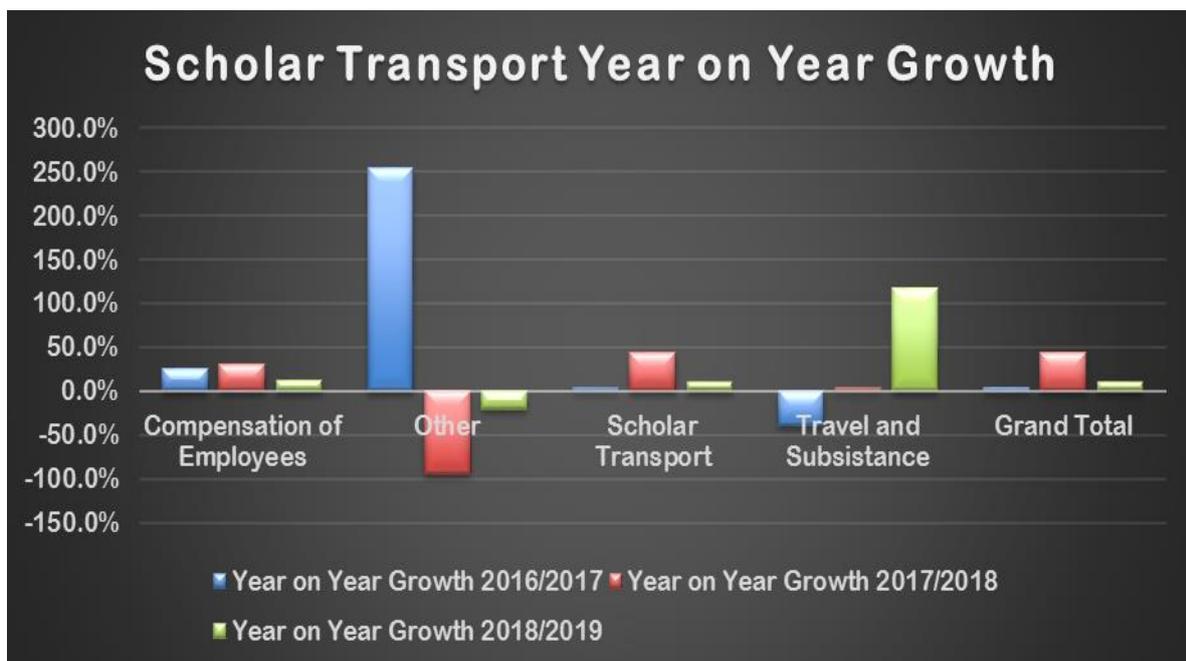
The GDCS on the other hand is responsible for law enforcement, road-worthiness of buses and testing of buses.

The combined efforts of the Departments are aiming to transport learners that ordinarily will walk 5 kilometres or more to the nearest school. The programme further aims to provide safe, decent, effective, integrated and sustainable learner transport which will lead to access by learners to quality education.

The programme integration plans are still at inception stage. Fast tracking of the plans can possibly result in additional revenue for municipalities and savings to provincial government.

4. Expenditure Observations

The expenditure analysis on scholar transport programme of the Gauteng Department Education was undertaken for the period 2015/16 to 2018/19 (see Annexure 2 expenditure tables) to assess the sustainability of the programme. BAS as the reporting system was utilised to source data to conduct the analysis. Focus was on programme data, the unit responsible for the delivery of the programme and the expenditure buckets linked to the programme as these fields had clear indication of spending on the programme.



The graph above indicates year on year growth per expenditure bucket which is a compounded aggregate growth rate (CAGR) of 18.1 percent over the three-year period. Actual transportation of learners' expenditure accounts for 99 percent or more in each of the years under review. The increases in expenditure is primarily driven by the growth in learners who qualify to be transported in terms of the scholar transport implementation plan, inflation and increase in kilometres claimed due to mapping of new routes as introduced in 2017/18 by procurement unit (previous routes were mapped by scholar transport unit). The year on year

CAGR in learner numbers for the period 2015/16 to 2018/19 amounted to 9.4 percent and is influenced by population growth.

The highest growth in spending occurred in 2017/18 with a growth of 43.9 percent. This was influenced by the 9.4 percent CAGR increase in learner numbers and awarding of a new tender with new routes to bus operators (refer to summary on the details of historic learner numbers and kilometres claimed). The changes in how the routes were allocated resulted in an annual unit cost increase of R 1,634.69 or 28.77 percent. A detailed study of the route changes effected between the route of 2016/17 and 2017/18 financial years needs to be undertaken to gain an understanding of what inefficiencies may have been introduced into the programme in 2017/18 financial year.

The analysis further indicates some efficiencies as over 99 percent of spending is incurred on actual transportation of learners with monitoring and administration elements spending the balance. The current analysis does not however provide data on whether the routes allocated and rates charged are effective, efficient and economical.

To test the sustainability of the programme, the current 2019 medium term expenditure framework (MTEF) projections were arrived at using several factors. Projected inflation for next three years as published by Stats SA and National Treasury was utilised to project spending on personnel, travel and subsistence and other items. To arrive at transportation of learners' programme average estimated annual kilometre per learner was multiplied by estimated rate per kilometre and learner numbers and adjusted over the MTEF to determine the estimated costs (refer to annexure on expenditure table sheet trend analysis for detailed workings). The number of school days was not included as the number was utilised in determining the average kilometres per learner. The learner numbers were arrived at by increasing the learner numbers with CAGR of 9.4 percent, annual growth in kilometre claimed was assumed to be increasing at level of 0.1 percent to make provision for new routes and

maximum rate increase of R 1.64 was applied over the three years. The rate adjustment is due to demand by operators' association for the rate to be revised as it has remained at R 1.40 per kilometre since 2014.

With the above factors, it is estimated scholar transport programme will cost the GDE R 1.178 billion, R 1 301 billion and R 1.437 billion over the MTEF period. With the current available budget, the GDE will afford the programme in the first two years while the outer will have a shortfall of around R 20 million which will either need to be funded through current baseline reprioritisation, securing of additional funds from Treasury or routes allocation need to be reworked to reduce the costs.

5. Performance

Scholar Transport programme is informed by statistical data from Stats SA and other sources on the number of learners who walk to education institutions. Based on the data the GDE collects additional data on learners that should be targeted particularly from poor communities and farms. The learners that were transported normally walk for 5 kilometres or more (note the 5 kilometre is not prescribed by the policy) as per implementation plan. There are also learners that were added to the programme given the compelling circumstances such as learners crossing busy highways, learners crossing streams of water and passing through areas with high crime rate, etc.

In the effort to implement the pro-poor policies that directly target poor learners and are aimed at reducing poverty within the province. Scholar Transport programme key output relates learners transported. A total of 94 600, 99 001, 111 053 and 123 726 learners were transported to various schools within the Province during the years 2015/16, 2016/17, 2017/18 and 2018/19 respectively. The transportation of learners is aimed to create access to quality

education by providing safe, decent, effective, integrated and sustainable learner transport and ultimately having educated citizens.

Performance on the programme is measured through the principal's reports, monitoring reports by districts and head office officials. The reports are consolidated at head office and quarterly and annual reports are produced for GDE reporting and reporting to National DBE and Transport Department.

The full realisation of the policy imperative is not reported on this report as this report mainly focused on just the scholar transport programme.

6. Options

The Scholar Transport of the Gauteng Province currently utilise a remuneration model / formula to pay operators. The formula used is Monthly payment to the service provider = Learner numbers X Number of km X Rate X Number of days per month.

In costing the 2019 MTEF implementation plan of the programme projected inflation was factored to administration cost, the cost drivers of the programme were increase based specific assumptions which includes the average annual kilometres per learner, projected rate and number of learners (note the number of school days is worked into the average kilometres. For detailed workings refer to annexure on expenditure table sheet trend analysis). Learner numbers were projected to increase by compounded aggregate growth rate of 9.4 percent, Number of kilometres to were assumed to only grow by 0.1 percent, rate increase was considered to increase by R 0.24 although it should increase in line with inflation, and number of school days are as published by the Department of Basic Education (DBE).

To sustain the programme each of the elements of the formula need to be considered to identify inefficiencies, elements of excess spending, ineffectiveness and unequal provision of service. Choice/s need to be made on future delivery of the programme to remain sustainable.

The first element of the formula is learner numbers. The constant increase in learner numbers has an impact on the cost of the programme. The increase in learner numbers is influenced by the normal growth in population due to newly born children and migration of people into the Province. Given the constitutional right of people to access education, learner numbers cannot be reduced to be able to afford the programme.

The options available in terms of learner numbers would be to look at improving the delivery model of infrastructure to cater for communities that do not have schools. This will reduce the need to provide scholar transport. The other option relates to discussion that are taking place in the joint task team through Inter-Governmental Relations structures on integrated transport system. With this approach, some of the learners can be moved to some of the municipal programmes such as Shova Kalula and subsidised bus coupons which may be cheaper and more sustainable.

The second element is number of kilometres' operators claim. Based on the analysis, kilometres claimed by operators increased by 44.4 percent in 2017/18. A new tender was awarded in the year and the revision of the routes was not done by the scholar transport unit as previously (procurement unit mapped the routes). The sharp increase may have been due to an inefficient manner of allocation the route. The comparison of the previous allocation to current may possibly held some savings if the routes result in reduction of kilometres that are claimed.

The third element is the rate. The rate paid to operator has remained static at R 1.40 since the year 2014. This has led to recent challenges between the Department and bus operators'

association with the association demanding a rate increase of R 0.50. With the rate increase of R 0.50 and all other elements projected increases, the programme will not be affordable for the 2019 MTEF. An additional R534 million will be required to run the programme. If average kilometres claimed per learner only grow by 0.1 percent and learner numbers by 9.4 percent, the rate can be increased to R 1.64 however an addition R 20 million will be required in the outer year.

The fourth element as determined at DBE is number of school days. This element cannot be changed or influenced otherwise.

7. Recommendations

The current economy of the country is not doing as well as it should be. This result in challenges in terms of increasing spending above the current spending indicative allocations. It thus becomes vital for government implementation programmes to be delivered within the current baselines or even better with some savings that can either be used for expansion of the programme or redirected to other critical programmes.

The scholar transport programme that is being implemented by the GDE currently has some savings that can be redirected to other critical programmes of the GDE. However, due to concerns raised by bus operators on the rate that has not changed since 2014; it may be important to consider rate adjustment to continue to enjoy the services provided. The bus operators request is R 0.50 adjustment however as this will lead to budget shortfall, it is recommended only R 0.24 adjustment be made in the 2019/20. This decision will require an additional R 20 million in the 2021/22 to be allocated to the programme through reprioritisation from other programmes. Had the rate been adjusted in line with inflation over the years, it will be at R 1.81 in the current year.

It is further recommended for the 2020 awarding of new tender; the routes allocation approach need to consider the methodology applied prior to 2017/18 as there may be potential savings to be realised. The joint task team through Inter-Governmental Relations structures on integrated transport system also need to provide alternative option to reduce the intake and cost on the current learner transport programme.

8. Action

The district sections that are currently on the structure of the GDE have 15 Assistant Director and 15 Senior Administration Officer positions, will need to be factored into the costs of administration of the programme as the first immediate action. Operational costs which are currently not funded for the officials will also get costed to have full administration cost of the programme. The data to cost this will be collected from the organisational development unit which has cost of the officials. The running cost will be collected from district finance units.

The second action to be taken over a month period, is to finalise a costing model for the implementation of scholar transport programme. The model will provide direction in terms of the various scenarios that can be adopted in terms of the implementation plan. The model should be able to demonstrate to users how each of the cost elements impacts the cost of the programme and assist in choices that can be made when delivering the programme.

The expenditure analysis performed need to go further into the details of each operator's claims. This is meant further assess the route kilometres for inefficiencies. The current kilometres as used to estimate the cost were worked out as there is no data kept on consolidated kilometre claims. Data will be sourced from Scholar Transport unit.

A detailed study of the Gauteng transport system also need to be undertaken in the current financial year to be in position to better advice on the opportunities that may exist and are beneficial to the scholar transport programme. The provincial joint task team through Inter-Governmental Relations structures by Transport Department will be utilised to gain an understanding of different transport programme of the Province. Scholar Transport unit as part of the task team will collect data and deposit ideas to the structure is relation to scholar transport programme.

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