

2019

**Provision of Scholar Transport in
Mpumalanga Province Period between
2015 to 2018 financial years.**

What are the cost drivers?

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CLUSTER: EDUCATION AND OTHER

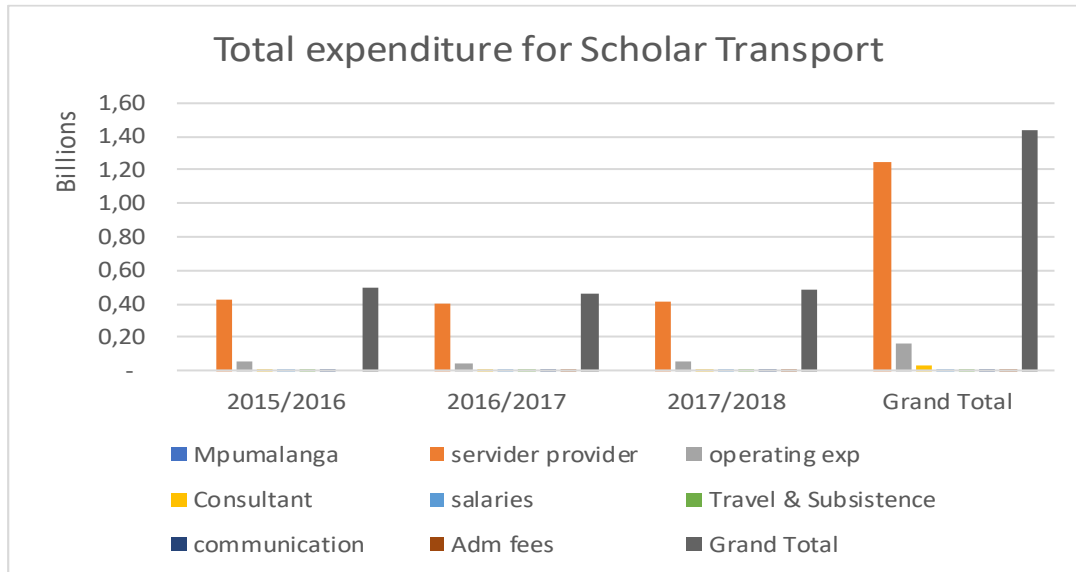
RELATED DEPARTMENTS

PROVINCE: MPUMALANGA

EXECUTIVE SUMMARY

The Mpumalanga Department of PWRT have spent R 1.4 billion in providing Scholar Transport for the past 3 years. The higher cost drivers for this programme are the service providers and operating expenses with spending of R1.2 billion and R 0.159 billion in past MTEF. The total expending projection for the next 3 year will be R 1.6 billion. Hence this means that will be R 200 million more needed for the next 3 years.

Figure 1: Snapshot of the total expenditure



1. Introduction and background

The Mpumalanga provincial government has a programme to ensure that school going kids are at school in time to receive basic education. The main aim of the programme is to provide transport to learners from Grade R to Grade 12 in four Regions of the Province and ensure that they are transported safely to school and learn as much as possible. Currently learners who benefit from scholar transport are learners who stay five or more kilometres from school. In Mpumalanga Province the scholar transport is implemented by the Department of Public Work, Roads and Transport.

The programme has benefited 178,932 learners in the past 3 years with the total spending of R 1.4 Billion over the 3 years

1.1 Purpose of the Scope

This PER aim to:

1. Analyse the expenditure of the scholar transport for 2015- 2018 financial year.
2. Determining of the key cost drivers of providing scholar transport in the province:
3. What is the total costs of the programme for the past three years?

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4. What other alternatives does the Department have to ensure learners are transported to school? Bicycles, can they be applied and save costs? Do learners who travel with bicycles get tired and are unable to cope at school?
5. Is the programme sustainable looking at all other competing priorities within government?
6. Does the programme achieve its outcomes?
7. Make recommendation for the programme

The scope of work is limited to the expenditure of the Mpumalanga Scholar Transport. And different methodology used such as Data analysis abstracted from BAS, Annual reports, Strategic documents and personnel Interviews.

Figure 2: Snapshot of Mpumalanga Scholar Transport Expenditure

Scholar Transport	2015/2016	2016/2017	2017/2018	Grand Total	Growth Rate		
					16 17 yo %	17 18 yoy%	CAGR
Mpumalanga							
servider provider	R424 795 910	R402 729 257	R417 007 478	R1 244 532 646	-5,2%	3,5%	-0,9%
operating exp	R60 143 585	R45 577 683	R53 674 409	R159 395 678	-24,2%	17,8%	-5,5%
Consultant	R8 822 097	R8 986 729	R9 062 248	R26 871 074	1,9%	0,8%	1,4%
salaries	R3 164 215	R3 232 500	R3 777 603	R10 174 318	2,2%	16,9%	9,3%
Travel & Subsistence	R449 508	R588 152	R600 725	R1 638 385	30,8%	2,1%	15,6%
communication	R39 313	R34 500	R29 521	R103 334	-12,2%	-14,4%	-13,3%
Adm fees	R0	R4 350	R3 069	R7 419		-29,4%	
Grand Total	R497 414 629	R461 153 172	R484 155 052	R1 442 722 853	-7,3%	5,0%	-1,3%

In 2017/18, the Province spent R 484 million on scholar transport, on aggregate, this was a -1.3 per cent average annual increase from 2015/16, when the Province spend R 497 million. The Funding of this programme is equitable share. The total spending for the Province over 2015 MTEF is R 1.4 billion.

Figure 2.1 Snapshot of Mpumalanga Scholar Transport Per District

Scholar Transport for the year 2015/16 Per Districts					
DISTRICTS	Number of learners	Number of schools	Number of operators	Number of routes	spending In Rands
Bohlabela	1342	11	1	19	R 19 639 631
Gert Sibande	41808	211	1	280	R 251 052 100
Nkangala	12332	90	87	157	R 118 014 650
Ehlanzeni	4749	39	22	68	R 41 505 357
Totals	60231	351	111	524	R 430 211 738

Scholar Transport for the year 2016/17 Per Districts					
DISTRICTS	Number of learners	Number of schools	Number of operators	Number of routes	spending In Rands
Bohlabela	1340	11	1	19	R 13 560 348
Gert Sibande	41750	211	1	280	R 240 486 130
Nkangala	12121	90	87	157	R 106 960 615
Ehlanzeni	4908	39	22	68	R 41 722 163
Totals	60119	351	111	524	R 402 729 256

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Scholar Transport for the year 2017/18 Per Districts					
DISTRICTS	Number of learners	Number of schools	Number of operators	Number of routes	spending In Rands
Bohlabela	1342	11	1	19	R 16 515 689
Gert Sibande	41808	211	1	280	R 250 489 414
Nkangala	12332	90	87	157	R 106 450 859
Ehlanzeni	4749	39	22	68	R 43 551 514
Totals	60231	351	111	524	R 417 007 476

2. Policy and Institutional Information

In support of the constitutional right to basic education, the Department of PRWT strive to provide Scholar Transport service to learners staying five or more kilometre from Public School. Hence the following Policy and Legislation were followed:

- (a) The constitution of Republic of South Africa, 1996
- (b) National Land transport transition Act 52 of 2000
- (c) South Africa School Act no 84 of 1996

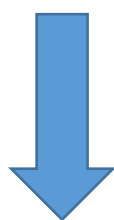
3. Programme chain of delivery

The institutional information for providing the scholar transport is reside in to two Department which is Education and Public Works, Roads and Transports. The allocation of roles and responsibilities is as depicted below.

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Department of Education

1. Learner who are eligible are identified and verified by school, circuit and the Districts.
2. List of school transport needs, signed by the HOD of DOE and submitted to HOD of PWR&T
3. Annual statistics of learner who eligible for scholar transport service before the year end and maintain data of learners and schools benefitting from scholar transport service

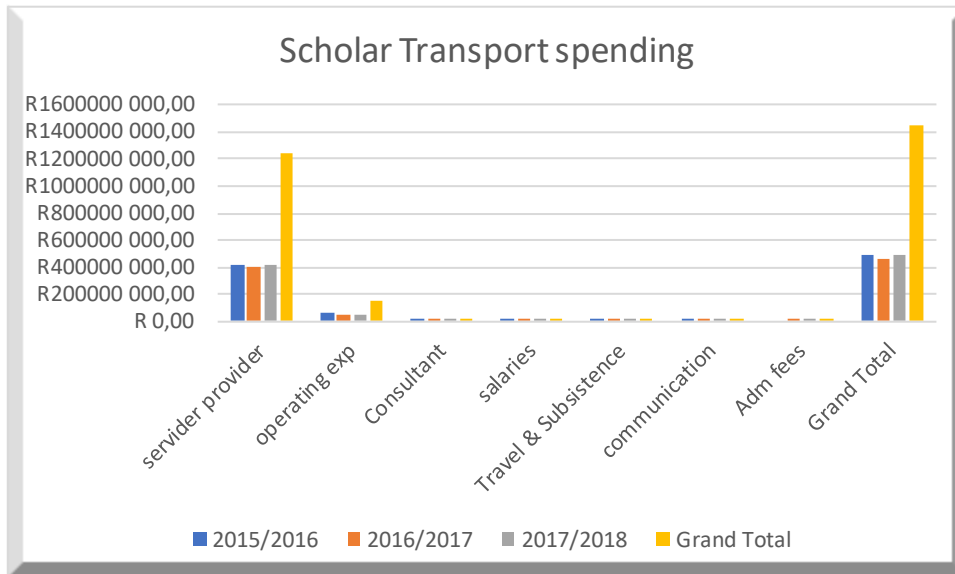


Public Work Roads and Transport

1. Provide the scholar transport service in accordance with transport need from DOE
 2. Compile and manage the scholar transport budget
 3. Conduct assessment and management thereof;
 4. Enter into contracts with the transport Service Providers
5. Comply with agreed contract requirements (Pre, during and Post) and management of the contract life cycle
 6. Pay the service provider within the budget
 7. Monitor the service performance
8. Conduct scheduled and unscheduled testing of vehicles of service provider to check the roadworthiness (collaboration with traffic authority and testing stations)
9. And maintain a database of all Scholar Transport contracts and Vehicles.

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4. Expenditure Observations



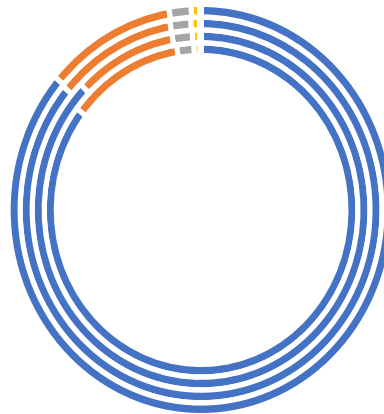
The expenditure observation revealed that the highest cost driver of the scholar transport is the service provider which is 85 percent of the total spending and there are 111 total number of service providers for scholar transport in the Province. It followed by the operational expenses which takes around about 12.5 percent of the total spending.

The above figure 2.1: the districts spending reflect only the cost of the service provider/ operators, it does not include other overheads which mean this is a direct cost of transporting a learner

The below Chart indicate how are the cost drivers sharing the spending for three years:

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Scholar transport cost drivers spending



■ servider provider ■ operating exp ■ Consultant
■ salaries ■ Travel & Subsistence ■ communication
■ Adm fees

5. Performance

The Department have achieved to transport the number of learners but in the financial year 2017/18, it was unable to reduce the number of service provider from 111 to 7 as per annual report for Department of Public Works of 2017/18.

Figure 2.1 Snapshot of Mpumalanga Scholar Transport Per District

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Totals	60231	351	111	524	R 430 211 738

The Department have spent R430 million direct cost to transport 60231 learners in 351 schools around Mpumalanga which mean the direct cost per learner for the year was R 7142 thousand

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Totals	60119	351	111	524	R 402 729 256

In year 2017, The Department have spent R402 million direct cost to transport 60119 learners in 351 schools around Mpumalanga and the direct cost per learner for the year was R 6 698 thousand. The cost per learner was less than the previous year due to the reduction in number of learners transported by 112.

Scholar Transport for the year 2017/18 Per Districts					
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Ehlanzeni	4749	39	22	68	R 43 551 514
Totals	60231	351	111	524	R 417 007 476

The 2018 financial year the department revert to same number of learners transported in 351 schools with 111 operators/ service provider for 524 routes in 2016 financial year but with lower direct cost of R417 million this year. Hence this may mean there was efficient exercised. The direct cost of transporting a learner for the year 2018 was R 6 923 thousand.

6. Recommendation

The analysis on expenditure observation reveal that the scholar transport service providers are the most expensive cost drivers for provisioning of scholar transport, therefore it recommended that the Department should consider the proposed of closing the farms school and replace it with boarding schools.

7. Action

Cost benefit analysis should be executed to find out whether the Boarding school with be more cost effective and efficiency to be alternative of the 111 scholar transport service providers.

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