

**2016**

**The extent of achieving universal access  
provision of Grade R and the associated costs  
thereof**

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**NATIONAL TREASURY**

# Towards an equitable approach: Trends of provincial education departments' expenditure towards the expansion of the Grade R programme and alignment of funding to achieving set policy objectives

## 1. Bridging pedagogical gap Challenges

For a country to take advantage of the window of opportunity brought about by a change in the population age structure; the quantity and the quality of education needs to be improved. The Bill of Rights states that all South Africans have the immediate right to basic education. Efforts aimed at ensuring transformation in education takes place brought into existence the National Curriculum Statement and the White Paper 5 on Early Childhood Development (2001). The white paper, encouraged by former national Minister of Education Kadar Asmal, required Grade R to be compulsory for every child from 2010, enjoining the provincial departments of education to commit to the implementation of the pre-school year as a priority specifically from 2010. This target for universal coverage was later extended to 2014 by President Jacob Zuma. However, achieving this target and ensuring good quality formal Grade R programmes take place in South Africa remain constant challenges.

In an attempt to bring light to the topic, one must unpack what is meant by “universalisation of access to Grade R”. There are multiple targets and explanations related to universalisation of access to Grade R, based on different policy documents. The table below illustrates the various policy sources and definitions. The report will be covering progress on most, if not all, of these areas:

Policy document	Definition of universalisation of access
White paper 5 (2001)	<ul style="list-style-type: none"><li>• Full access to Grade R for all five year olds by 2010 as a target, with 85% of provision located in public primary schools and 15% through community sites (Department of Education, 2001). However, this target was shifted to 2014.</li><li>• A plan to move coverage up by a certain number of percentage points each year would be put in place by each provincial department of education.</li></ul>
National Development Plan	<ul style="list-style-type: none"><li>• Expansion of access to pre-school education and the provision of quality pre-school education so as to improve overall academic performance, language proficiency, high school completion rates, etc.</li><li>• All children attend two years of pre-school education by 2030 (Grade RR then Grade R before Grade 1).</li></ul>
DBE Action plan 2014	<ul style="list-style-type: none"><li>• Increase the percentage of children who have access to formal Grade R programmes to 80 per cent by 2014 and 100 per cent by 2019</li></ul>

### 1.1 Theory of change

Basic education, being a concurrent function, has various role players that contribute to the achievement of improving Grade R as a whole and ensuring that universalisation of access to a quality Grade R programme is realised as per set policy targets. **Annexure A** illustrates who the role players are, as well as their responsibilities in achieving policy objectives. Essentially, how and why a desired change is expected to happen requires one to comprehensively describe and illustrate what the programme does (its activities or interventions). In addition, the illustration should detail how these activities lead to achieving desired goals and outcomes through a theory of change. Refer to **Annexure B for a more detailed logical framework** (logframe) diagram that further illustrates the identified desired long-term goals for the Grade R programme, the different role players that make up the programme, as well as how

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the programme fits into the overall intended outcomes of the education system. The logframe shows all the conditions that must be in place (and how these relate to one another causally) for the outcomes to be achieved and goals to occur.

According to the current national Curriculum and Assessment Policy Statement (CAPS), there are certain assessment standards that should be achieved by the end of the Grade R year. A Grade 1 learner is expected to be physically, cognitively, affectively, normatively, socio-culturally and linguistically ready for a solid start to his or her school career (Powell 2010). Linguistic and cognitive readiness implies that a learner is able to understand the concepts used in the language of learning and teaching of the Foundation Phase (Janse van Rensburg, 2015: 212). Grade R is crucial in addressing the pedagogical gap and preparing learners for Grade 1, but unfortunately there are issues related to universal access to Grade R. The challenges relate to parents not enrolling their children for Grade R, some Grade R practitioners not having the required qualifications (including training and support) - over and above some's lack of knowledge of how children learn and how to facilitate learning to achieve learning outcomes. Government has committed to ensure quality teaching and learning takes place in grade R as a vehicle to improve learner performance in both literacy and numeracy. But, findings by the Auditor-General pointed out that almost half of the Grade R practitioners do not have minimum required qualifications.

Grade R is a critical preparatory period for a child's time in school and participation in Grade R is a vital determinant of success in the first years of primary schooling. In response to this, provincial education departments therefore need to ensure that learners from the poorest communities have access to grade R education in both public and community-based sites. The benefits of Grade R can be compounded over time as positive effects that spill over into other learning domains. It is in this light that the South African Government recognises that increasing access to, as well as improving the Quality of Grade R provision, will contribute significantly to improving the learning outcomes of children within the Basic Education Sector.

## **1.2 Grade R provision**

There are three models for Reception Year for 5 year olds:

1. Reception Year as part of public provision within the public school system which is subsidised by government;
2. Reception Year as part of public provision within selected community based centres or early childhood development (ECD) centres which is subsidised by government;
3. Reception Year as part of independent provision by community based centres, independent schools and pre-primary schools which is not subsidised by government.

The favoured model of provision is Grade R in public schools. Not only is this reflected by the large expenditure on compensation for Grade R practitioners in public ordinary schools, which is significantly higher than that of ECD centres, but budget allocations to public ordinary schools are significantly higher than that of ECD centres across provinces over the years.

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White Paper 5 states that the Grade R programme is able to function at a cost considerably lower cost at community based sites and ECD centres than public ordinary schools provision since the latter uses provincially-employed educators, whereas the practitioners at community based sites are not employed by government and are paid considerably less (DBE, 2001a: 30). With that said, the quality of infrastructure; qualifications of practitioners and resource provision in community based sites remains a constant challenge – hence government favours the public ordinary school alternative as a means to provide Grade R.

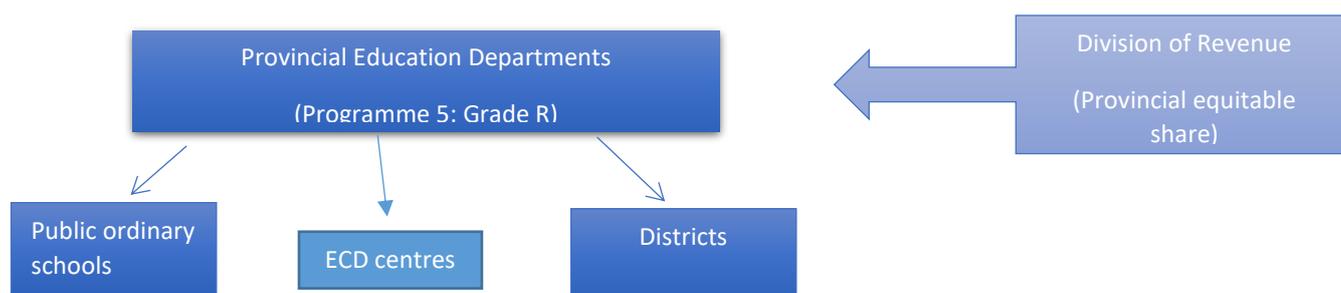
### 1.2.1 Performance driving improved provision

According to the South African Journal of Childhood Education (Eric Atmore, Lauren-Jayne van Niekerk & Michaela Ashley-Cooper, 2012:121) the number of children in Grade R has trebled since 2001 and government education budgets have also increased substantially. More children are enrolled in Grade R and have improved quality education provided than before (refer to annexure C). However, much still remains to be done before one can say with confidence that the needs of children are being met. Encouragingly, by 2011, 76 per cent of five-year-olds were enrolled in Grade R, which then suggested progress towards the government’s revised goal of universal access to Grade R by 2014 but this target has not been entirely realised by all provinces. Government, in an effort to improve universalisation of access to Grade R, needs to ensure sufficient availability of infrastructure and facilities; train and develop all Grade R practitioners to meet requirements in line with the national qualification framework (NQF)- judging by the percentage of Grade R practitioners with appropriate qualification (NQF Level 6 and above). Ensuring a sufficient supply of quality learner teacher support material, as well as considering various funded means of expanding Grade R is also crucial.

## 2. Alignment of expenditure to universalisation of Grade R objectives

From the beginnings of early childhood development (ECD) policy it has been recognised that bringing five year olds into the formal education system is an essential part of upgrading ECD (Umalusi, CEPD & Wits Seminar, 2010:14). Nonetheless, if this was the sole focus of the state’s input into ECD it would be too little too late for the majority of young children. Policies and legislation have taken a broad and holistic view of ECD service needs, including the 1995 Education and Training White Paper, White Paper 5 (2001), and the Children’s Act of 2005 (as amended) with a focus on a range of ECD programmes, prevention and early intervention.

### 2.1 Funding Flows



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The national Department of Basic Education does not directly provide any funding to provinces for the implementation of Grade R. It mainly supplies Grade R resource kits (themed posters, weekly CAPS-aligned lesson plans, plus assessment activities for the year etc.) and drafts policies that mandate the provincial education departments (PEDs) to implement in an effort to achieve the set policy objectives. The main indirect funding flow to PEDs from the national department would be through conditional grants such as the education infrastructure grant. This grant assists in accelerating construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education. The grant funding also includes district accommodation, enhancing capacity to deliver infrastructure in education and to address damage to infrastructure caused by natural disasters.

The main funding flows for the delivery and/or implementation of the Grade R programme flows from provinces down to schools, ECD centres and Districts who do all the Ground work (Teaching of children; appointing of Practitioners; as well as monitoring and evaluating the performance and effectiveness of the Grade R programme). Provinces are mainly responsible for supplying LTSM to schools and the remuneration of practitioners.

**Table 1: Relative proportion of expenditure by economic classification 2010/11-2015/16\***

<b>Economic classification (R'000)</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
Payments for Capital Assets	86 132	145 333	626 667	3 784	2 952	6 644
Compensation of Employees	1 185 413	1 218 413	1 258 701	1 610 336	1 775 734	1 989 659
Goods and Services	251 089	436 638	195 922	225 568	266 783	427 077
Transfers and subsidies	271 758	386 692	440 680	548 419	565 393	532 798
Payments for Financial Assets					73	
<b>Grand Total</b>	<b>1 794 392</b>	<b>2 187 075</b>	<b>2 521 970</b>	<b>2 388 107</b>	<b>2 610 933</b>	<b>2 956 177</b>

\*2015/16 expenditure data still to be audited

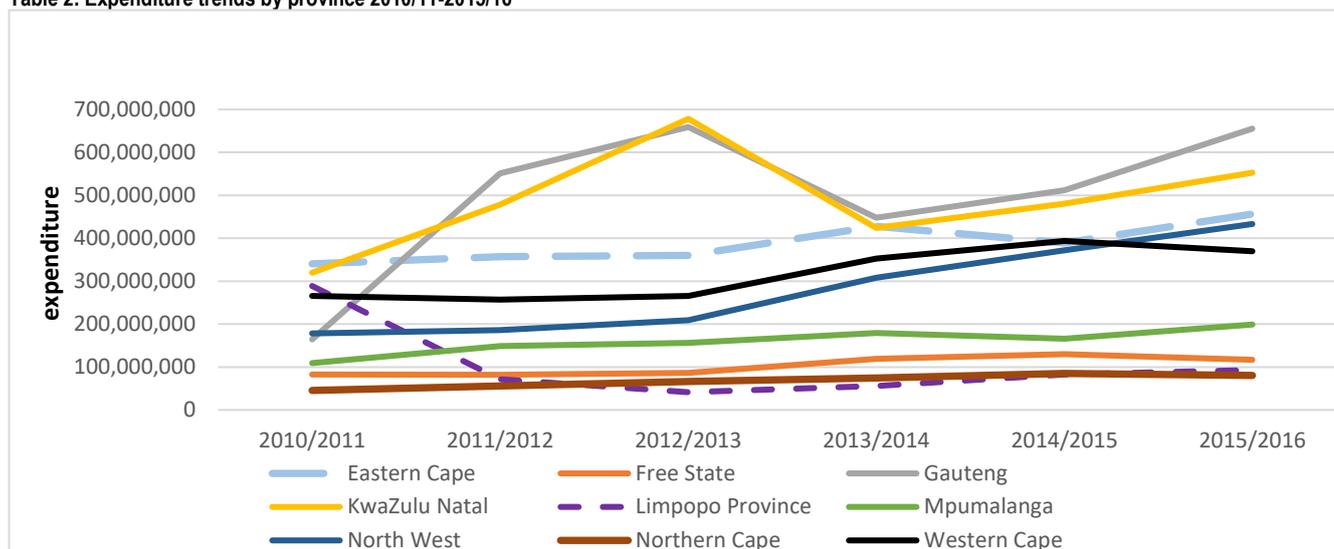
Overall spending in provincial Departments of Education on Grade R increased from R1.79 billion in 2010/11 to R2.6 billion in 2014/15. Table 1 illustrates this was mainly on compensation of employees (11 per cent average real annual growth) and transfers and subsidies (20 per cent average real annual growth). The growth was as a result of the increase in stipends payable to practitioners for Grade R, as well as transfers and subsidies made for provision of Grade R in community centres and ECD sites respectively. This shows progress in the national sector initiatives' target of universalisation of Grade R.

On the other hand, expenditure under goods and services decreased significantly from 2012/13 (from R436.6 million in 2011/12 to R266.8 million in 2014/15). This brings light to concerns raised on some of the prominent challenges and obstacles faced by ECD facilities in 2012, which included the absence of learning materials and resources - especially within the classroom setting (DBE, DSD & UNICEF, 2010). There was also a significant decline in expenditure under payments for capital assets from 2013/14, mainly for buildings and other fixed structures, as well as machinery and equipment. There are no clear reasons behind the sudden decline in payments for capital assets expenditure, bearing in mind that provinces are reporting on the building of schools and Grade R classrooms. This could mean there is higher reliance on conditional grant funding by provinces to build and refurbish schools, or there are misclassification issues and/or funding is located elsewhere.

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Table 2: Expenditure trends by province 2010/11-2015/16\*



\*2015/16 expenditure data still to be audited

The provincial education departments have made great strides in allocating resources for the universalisation of Grade R and upgrading ECD, expressed by an above inflation total expenditure annual average growth rate of 11 per cent from 2010/11 to 2015/16. Table 2 shows that between 2012/13 and 2013/14, expenditure for the expansion of the Grade R programme increased in all provinces except for KwaZulu Natal (KZN) and Gauteng. But even with the decline in expenditure, the two provinces still spent substantially more towards Grade R in comparison to the other provinces. Although there is a general growth in expenditure over the years across provinces, KZN and Gauteng continue to spend significantly more than the other provinces, closely followed by the Eastern Cape. Interestingly, total expenditure in the North West for Grade R has improved quite significantly, increasing from R178.3 million in 2010/11 to R372.3 million in 2014/15, a 20 per cent increase in expenditure during that period. The funds mainly went to compensation of employees for practitioner stipends and to transfers and subsidies for Grade R in community centres.

The growth in expenditure in Eastern Cape is mainly due to increased allocation to realise the universalisation of grade R in 2012/13. The additional funding was utilised for training of practitioners to achieve NQF Level 5 and 6 qualifications as envisioned in policy, as well as the provision of funding for the conversion of stipends to salaries for qualified practitioners. This was effected as from 2015/16. If one shifts their attention to KZN, Expenditure for Grade R grows at a slightly higher rate up until 2012/13 (expenditure grew by 42 per cent from 2011/12 to 2012/13), also largely due to subsequent additional funding allocated toward the expansion of Grade R. Table 2 shows a fair growth of expenditure in KZN from 2013/14, following the dip that occurred between 2012/13 and 2013/14, mainly attributed to the increase in the stipends payable to practitioners in 2013/14. The overall growth in expenditure from 2013/14 is still fairly low in comparison to the previous period from 2010/11 to 2012/13, mainly due to enforced savings in the province's budget to ease funding pressures in other programmes.

Limpopo's sudden dip in expenditure from 2010/11 is a cause for concern, bearing in mind that learner numbers did not follow the same trend. The province moved from spending more than most of the provinces towards Grade R, to

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being the least spending province and continues on that trend. The province is now spending more or less the same as the Northern Cape, a province much smaller in learner population size and thus receives a smaller budget allocation than Limpopo. Northern Cape had 19 210 learners enrolled for Grade R in public ordinary schools and ECD centres in 2014 as opposed to 122 164 learners in Limpopo. The process of universalisation of access to Grade R in all schools has been an on-going priority in the provinces and there is visible improvement, but more work still needs to be done to address all expenditure issues in the Grade R programme, which have an impact on the quality of the programme.

## 2.2 Goods and services' allocation to priority areas

Table 3: LTSM as a percentage of Goods and Services expenditure

Province	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016*
Eastern Cape	17.0%	66.5%	54.7%	10.9%	15.0%	10.2%
Free State	93.0%	53.9%	0.0%	99.8%	35.3%	0.0%
Gauteng	19.9%	13.9%	8.7%	99.6%	91.8%	85.9%
KwaZulu Natal	69.1%	0.0%	69.8%	2.6%	0.0%	91.1%
Limpopo	0.0%	0.0%	0.0%	79.3%	27.3%	76.3%
Mpumalanga	52.7%	4.2%	0.0%	60.3%	71.0%	64.8%
North West	27.9%	28.1%	39.8%	0.0%	0.0%	62.5%
Northern Cape	12.3%	48.4%	1.1%	9.3%	33.1%	14.3%
Western Cape	3.5%	9.6%	11.3%	65.1%	3.1%	52.5%

\*2015/16 expenditure data still to be audited

The basic education sector, in its continued objective to improve the quality of education in Grade R, should also focus on the budget for and supply of learning materials for children. Redress and equity are fundamental principles enshrined in the South African Constitution. In addition, redress and equity within the learner teacher support materials (LTSM) provisioning context are crucial. This requires working with inherited systems to provide the most equitable solution.

Resource provision ensures that every learner and teacher has access to a range of quality resources that are age appropriate, current and relevant, which encourage a love of reading and an enquiring mind. In 2014/15 KwaZulu Natal spent zero per cent of its goods and services budget for Learner teacher support materials and Gauteng spent 91.8 per cent (R121.7 million). This was a significant trade-off of the two provinces' expenditure towards training and development as KwaZulu Natal spent 76.8 per cent (R3.2 million) of its goods and services budget towards training and development and Gauteng spent zero per cent. The expenditure in the provinces to ensure quality provision of both training and development as well as LTSM appears to be a challenge. It is worth noting that overall expenditure in goods and services picked up in KZN in 2015/16, but just for LTSM. R48.2 million was spent on LTSM as 31 March 2015/16, but nothing on training and development of practitioners. A clear trade-off made by the department.

Zooming in to other provinces' expenditure, it is more evident that everything is a trade-off within a constrained budget. Other provinces spent very little or nothing on both these elements. Western Cape for example, spent most of its goods and services budget on catering, scholar transport as well as agency and support/outsourced services. North West spent mainly on school furniture and equipment, stationary as well as sport and recreation equipment.

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Overall equitable expenditure by provinces on goods and services brings about a cause for concern. Two major determinants of a quality education is both having a qualified educator to teach, as well as ensuring the availability of required resources (i.e. LTSM and Grade R resource packs) that children can learn from. Much work still needs to be done by provinces to ensure allocative efficiency takes place in all priority areas.

### **2.3 Basic Education on improving the qualifications of Grade R practitioners**

Following a report by the Auditor-General in terms of unqualified and underqualified teachers for the year 2013, a survey was conducted by the Department of Basic Education in 2014. The survey established that nationally, 12 336 of 21 207 (58.2%) Grade R practitioners were found to be in need of qualification upgrading, either in the form of a Bachelor of Education (B.Ed.) - Foundation Phase degree or Grade R Diploma. KwaZulu Natal having the most at 4504 and Gauteng the least at, 30. This brings to light the trade-off of the two provinces' expenditure towards some items under goods and services. It is critical for teachers to have ongoing professional development to keep them up-to-date on curriculum amendments and improvements, which includes how children learn and develop.

Well-trained educationists in the US follow an approach to education based on knowledge about how children learn and develop. (Meier & Marais 2008). There is a clear need for better qualified and accredited practitioners for children in the preschool years in South Africa to ensure quality teaching and learning takes place. Practitioners are not necessarily unaccepting of the didactic approach but also faced with parental, school and educational policy demands (for example, the implementation of assessment policy). In a number of cases, their own lack of deep understanding of how best to enhance children's learning pressurises them to implement this more formal approach (Umalusi, CEPD & Wits Seminar, 2010:7).

As at August 2015, the national department was assisting all provinces to ensure Grade R practitioners complete NQF Level 4, whilst a further 4000 are receiving support to complete either a B.Ed. or Diploma in Grade R teaching (NQF level 6). In addition to the support initiatives put in place by the Department of Basic Education, various Provincial Education Departments have also initiated training for Grade R practitioners. The North West Department of Education has registered 50 practitioners at the North West University for Diplomas in Grade R teaching, while the Northern Cape Department of Education has enrolled 130 Grade R practitioners in the same programme. The Gauteng Department of Education has plans to enrol 500 Grade R practitioners for a 3 year NQF level 6 qualification.

In pursuing this critical aspect, the Free State Department of Education managed to train a total of 552 grade R practitioners for NQF level 5 qualifications in 2009/10 and 2010/11. These practitioners received a stipend of R1000 in 2009 which was increased to R1.200 in 2010 for the duration of the training. In 2013 30 grade R practitioners were registered with UNISA to study towards B Ed degree. 170 Teacher Assistants across the province were trained towards ECD NQF Level 4 and 5 in 2014/15.

To date, 583 Grade R practitioners have registered for the Bachelor of Education Foundation Phase qualification with UNISA in Gauteng. The department has initiated a Gauteng Professional Teacher Development Strategy which is

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aimed at quality improvements in mathematics, science and technology, literacy, school safety, inclusion, Grade R, performance management and Continuing Professional Teacher Development.

Challenges currently experienced regarding the capacity of Higher Education Institutions to enrol teachers for the Bachelor of Education (Foundation Phase) programme presents challenges to achieving provincial and national targets. At present there are only 4 institutions offering the programme with a total capacity of 2 690 students per year, thus making it difficult for the Provincial Education Departments (PEDs) to enrol the numbers required to reduce the backlog at the pace required. Other means to try and upskill those currently on levels below NQF level 6, taking into account capacity issues faced by higher education institutions, are being considered.

According to the Department of Basic education's "universal access to Grade R" policy framework, due to the diverse qualification levels of current Grade R practitioners, various qualification levels have been considered. These include a Higher certificate in Grade R practices (NQF level 5, 120 credits), Advanced certificate in Grade R practices (NQF level 6, 120 credits) and the currently favoured Diploma in Grade R practices (NQF Level 6, 360 credits). All the above qualifications can provide access to the Bachelor of Education (Foundation Phase) qualification with possibilities for credit transfer.

A total of 21 542 Grade R practitioners have ECD qualifications in all provinces excluding North West which employs qualified teachers. The totals per level of Grade R practitioner qualifications are as follows: 10 933 are at level 4, 4 619 at level 5, 4 191 at level 6 and 1 799 above level 6 as at the end of 2014/15. The offering of teacher qualifications is currently legislated as a higher education competence, but the national department has acknowledged the competence and capacity of Further Education and Training colleges and registered private providers. The "universal access to Grade R" policy framework is looking at possibilities of the colleges partnering with accredited higher education institutions to offer the Higher certificate and Advanced certificate in Grade R practices. These options must be fully explored. The quality of Grade R education, as for any teaching, is fundamentally linked to the ability of the teacher to deliver meaningful education.

### **3. National realities**

#### **3.1 Enrolment rates versus expenditure per learner**

In the first 10 years after the release of the education White Paper number 5, which called for full coverage of Grade R by 2010 as a target, with 85% of provision located in public primary schools and 15% through community sites (Department of Education, 2001), 493 129 additional children were enrolled for Grade R. Grade R enrolment further grew from 841 414 children in 2012 to 879 014 children enrolled in 2014, dropping slightly to 859 158 in 2015 as seen on **annexure D**. The majority being enrolled in public ordinary schools. It is clear that the universal provision target was not reached in 2010, as envisaged in the education White Paper 5, and was thus extended to 2014 by the President. This target has still not been achieved by all provinces (only 75 per cent of five year olds were enrolled in Grade R in the 2015 school year) and the final deadline of ensuring universalisation of access to Grade R is achieved

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by March 2019 is looming. The table below excludes any comment on quality but there is however, considerable unevenness in quality across the nine provinces, an issue discussed in the report.

Table 4: Grade R enrolment rates as a percentage of five year olds in South Africa

Province	2012	2013	2014	2015
Eastern Cape	106%	100%	100%	83%
Free State	69%	77%	82%	83%
Gauteng	58%	59%	63%	63%
KwaZulu-Natal	76%	73%	74%	70%
Limpopo	103%	102%	101%	95%
Mpumalanga	75%	73%	73%	71%
North West	87%	95%	91%	92%
Northern Cape	67%	70%	72%	72%
Western Cape	71%	72%	75%	75%
National	78%	77%	78%	75%

Grade R enrolments and facilities have expanded in public sector schools and as a result, Grade R coverage is relatively high as the majority of Grade R learners are in the public sector. 87 per cent (735 846) of Grade R learners in 2012 and 88 per cent (755 749) in 2015 were enrolled in public ordinary schools. Between 2001 and 2012 the total number of Grade R enrolments massively increased from 241 525 to 767 865, slowing down from then to 859 158 enrolments in 2015. This translates into an average annual growth of 11 per cent per year for more than 10 years in the first period, or more than 45 000 additional Grade R learners per year or more than a thousand classrooms per year. The numbers then declined to an overall average annual growth of one per cent per year between 2012 and 2015. This could be as a result of the past aggressive stance taken by provinces to universalise access to Grade R and now that the target is closer to realisation, growth is beginning to slow down.

The KZN department of Education, for example, stated that it had reached and exceeded the set universalisation target because 93 per cent of five-year olds were in Grade R classes by 2014, but [table 4](#) proves otherwise. Based on data received from the Department of Basic Education and Statistics South Africa (Stata SA), by 2014 KZN had only enrolled 74 per cent of five year olds in Grade R, declining to 70 per cent in 2015. Provinces that appeared to be doing exceptionally well in realising these targets in 2015 are Limpopo and North West, with 95 and 92 per cent enrolment rates respectively, as well as the Eastern Cape and Free State both with 83 per cent Grade R enrolment rates. With these commendable achievements, two big challenges still remain:

1. The target of universalisation of access has not yet been realised by some provinces and
2. The task of improving the quality of education offered to children still exists.

Unfortunately, the Grade R programme in various provinces has experienced the brunt of financial control measures in previous years as can be seen from the dip in expenditure in some of the years. This under-funding of Grade R is further worsened by inter-provincial spending inequalities. For example, in 2011/2012 Gauteng province spent R7

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823 on a Grade R learner, while Limpopo spent only R845. The differences in spending patterns may be due to the misdirection of funds. Provincial education departments and schools may be guilty of cross-subsidisation, with money earmarked for Grade R finding its way to other educational needs (Parliamentary Liaison Office, 2014). If the funding is inadequate it means that schools have less to spend on personnel as well as on LTSM. Consequently, quality suffers.

As a result of the long-standing problem of under-funding of Grade R, the DBE has finally sought to address the problem through the “universal access to Grade R” policy framework. Acknowledging the fact that most provinces have failed fully to implement the National Norms and Standards for Grade R Funding (NSF-Grade R), the DBE has proposed that a review must be conducted. This review should: (a) promote ‘uniform allocation of 70% of Grade 1 learner cost in year 1 for each Grade R learner; (b) ‘increase per learner cost to that which is equal to Grade 1 learner cost in year 2; and (c) achieve ‘fully inclusive Norms and Standards for funding schools, inclusive of Grade R, in year 3’.

Table 5: Provincial expenditure per Grade R learner in public schools and ECD centres

	2012/2013	2013/2014	2014/2015	2015/2016
<b>Eastern Cape</b>	2 343	2 891	2 583	3 407
<b>Free State</b>	2 895	3 793	3 811	3 274
<b>Gauteng</b>	7 911	4 889	5 262	6 654
<b>KwaZulu Natal</b>	3 666	2 304	2 536	3 062
<b>Limpopo</b>	360	479	694	785
<b>Mpumalanga</b>	2 720	3 184	2 833	3 384
<b>North West</b>	4 838	6 634	7 552	8 753
<b>Northern Cape</b>	4 501	4 463	4 727	4 321
<b>Western Cape</b>	4 909	6 189	6 399	5 963

\*2015/16 expenditure data still to be audited

Great coverage is inversely related to average spending per Grade R learner in some provinces, as can be seen in table 6, specifically in 2014/15 and 2015/2016. The question that comes to mind is: how do provinces that achieved universal coverage (in the sense of a Grade R enrolment rate of 100%) and those moving towards achieving the target, deal with issues of quality, especially those whose average per learner expenditure is below the annual average expenditure of R3 507 over the period from 2012/13 to 2015/16? This average expenditure is below the NSF-Grade R requirements (total per learner cost for Grade R should be equal to 70% of the total per Grade 1 learner cost).

According to an evaluation on the impact of the introduction of Grade R on learning outcomes by Research on Socio-Economic Policy in 2012, the data contained in their calculations of expenditure per learner number numbers appeared highly suspect. The study found the ratio of per capita spending between Gauteng and Limpopo of more than 9 to 1 in 2011/12 not entirely accurate (R845 per learner per year in Limpopo to R7 823 per learner in Gauteng).

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Even if teacher salaries in Gauteng were 3 times as high as in Limpopo, class sizes would also have to be about three times as large in Limpopo in comparison to Gauteng to make ratios of this magnitude in personnel spending possible (and personnel spending dominates within overall spending). So both these figures may be inaccurate. Ignoring these two outlier values produced average expenditure of around R3 300 per child in 2011/12.

Limpopo continues to face challenges with spending on its Grade R programme and is still the province that spends the least amount of funds on the programme and consequently, this low expenditure is passed down to the province's per learner expenditure which was R677 per child as at 2014/15 (table 6). Alluding to the evaluation done by Research on Socio-Economic Policy in 2012 one is more inclined to believe that there were no inaccuracies with the data and that in actual fact, the provinces are not dedicating sufficient amount of funds per learner in Grade R (unless the province faces several classification issues). Even if we follow the same methodology of excluding outliers (Gauteng, Limpopo and now North West) the average expenditure over the period 2012/13 to 2015/16 is R3 304. Limpopo still, along with a few other provinces, does not meet the average expenditure of around R3 303 per child.

Of concern is the continuous variations in expenditure per learner across provinces which speak to the dissimilarities in the quality of education and learner resources received. From 2013/14 North West dedicated the most funds per learner in Grade R, overtaking Gauteng, closely followed by the Western Cape. Provinces need to at least make a means to move towards the national average expenditure per learner which sits at R3 507 when one looks at average expenditure per learner annually from 2012/13 to-date. Only two provinces have been generally consistent in achieving this average expenditure per learner, being the North West and the Western Cape. Expenditure in most, if not all provinces is still way below the NSF-Grade R requirements. The DBE has reported that in 2011/2012 the total cost per learner (in public schools) was R10 500. For a Grade R learner it was R 3 112 – well short of the 70% stipulated in the policy.

Another concern is the number of Grade R learners that progress to Grade 1 or are in Grade 1 in comparison to those that received formal Grade R. These figures do not speak to each other and this concerns both the independent ordinary schools as well as the public ordinary schools. Although there has been an improvement of throughput rates from Grade R to Grade 1 (increasing from 63 per cent in 2013 to 65 per cent in 2015), there is still room for improvement. The numbers also speak to various issues concerning our education system which include children starting school late and/or not going through a formal Grade R programme prior to Grade 1. A quality Grade R programme is crucial and plays an important role in addressing the pedagogical gap, preparing children for Grade 1.

#### **4. The cost of universalisation of access to Grade R**

South Africa has made commendable advancements over the last decade in providing access to Grade R in the school system in general and in the public school system in particular. However, questions remain about coverage, given different approaches to target definitions and uncertainties about data, as well as about quality (with spending data suggesting widely varying spending per learner).

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Based on the Department of Basic Education's *school realities* figures, one can calculate the national provision rate for Grade R. The national enrolment rate for Grade R in 2015 stood at 75 per cent. The national provision rate also shows that the number of children attending Grade has been progressively increasing over the years, from 767 865 in 2012 to 859 158 in 2015 which can only mean that nationally we are heading in the right direction.

#### **4.1 Practitioner costs**

Linked to the funding of Grade R is problem of Grade R teachers' remuneration; they are often very poorly paid (see annexure E). No legislation governs the employment of Grade R teachers; and they are usually employed by school governing bodies, rather than by education departments. It is often argued that because of these low salaries schools find it challenging to attract appropriately qualified teachers, which in turn affects the quality of education on offer.

It is suggested that the best way to address this problem is for Grade R teachers to be employed by education departments, which can offer more competitive salaries and benefits. This solution, however, is not without its challenges. A large proportion of the education budget already goes towards salaries and any change in teacher numbers will have a huge effect on the budget. Nonetheless, it can also be argued that the DBE cannot advocate for the standardisation of the qualification of Grade R teachers without giving serious consideration to the standardisation of Grade R teacher salaries.

The Grade R database indicated a total of 21 542 Grade R practitioners in South Africa. 15 552 did not meet the minimum requirement for teacher qualification, which is REQV 13 or REQV 14 (a three-year diploma in education or a National Higher Diploma). To meet favourable learner teacher ratios envisioned in the set minimum norms and standards for Grade R (1 practitioner per 30 children), an additional 18 715 qualified Grade R practitioners will need to enter the system.

Fees payable as at 2015 in North West University to get a Bachelor of Education degree (Foundation phase) requires R 30 950 per annum, amounting to R92 850 per person over three years. To get all 15 552 practitioners to NQF level 6 would require R1.4 billion over three years, or R481.3 million annually. Furthermore, including the additional 18 715 required practitioners to meet minimum norms and standards' favoured learner-teacher ratios (1:30), would need an additional R1.7 billion over three years, or R579.2 million per year. The surplus of R10.9 billion over the MTEF period would still be able to cover these costs. An assumption that any practitioner employed by the 9 provincial education departments going forward already has the required NQF level 6 qualification reduces training and development costs by R579.2 million per year, but unfortunately due to capacity challenges faced by higher education institutions, this will most unlikely be the case.

#### **4.2. Costing scenarios**

The purpose and overview of the costing model is to illustrate, using various scenarios, the expenditure most likely to be incurred by the 9 provincial education departments in their efforts to achieve universalisation of access to Grade R by 2019. This takes into consideration the various policy targets and definitions of what the attainment of universalisation of access means for children and the schooling system as a whole. The three scenarios allow the

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reader to see what the parameters (cost drivers) are and what effect the change in parameters can have on total expenditure. For example, a change in the ratio of practitioners to learners will have an impact on expenditure. Finding relationships between inputs (number of practitioners), outputs (number of learners enrolled) and price is ultimately the most important part for estimating any expenditure through a cost model.

Table 6: assumptions informing the costing scenarios

Parameter	Programme	Status Quo Scenario	Full Policy Scenario	Mixed Scenario
Target enrolments	Grade R	75% (859 158)	100% (1 144 896)	85% (973 162)
Practitioner-learner ratio	Grade R	1:40	1:30	1:35
number of practitioners	Grade R	21 542	40 257	27 804
Training and development	Grade R- NQF4	10 933	0	7 183
	Grade R- NQF5	4 619	0	12 280
	Grade R-NQF6	5 990	40 257	8 341

Using the Cost Implications of the White Paper proposals: Cost Model Manual – Version 3 for TVET colleges as a guiding principle, this is what informs the construction of the three scenarios:

- **The status quo** scenario shows the expenditure implications of meeting the White Paper enrolment targets, while assuming that all the key cost drivers remain as they currently are. This scenario looks at the costs of increasing access, while keeping the key input factors that might affect quality the same (DNA Economics and Mzabalazo Advisory Services, 2016).
- **The full policy scenario** is standardised to meet the White Paper enrolment targets while improving quality at the same time. This scenario models changes to the cost drivers and input factors that are likely to improve quality. The changes in these factors are informed both by the White Paper and NDP, as well as the result of interactions with policymakers (DNA Economics and Mzabalazo Advisory Services, 2016).
- **The mixed scenario** represents a more gradual approach to improving access and quality, with attention being given to both and targets being achieved in an incremental manner. Given funding limitations, this scenario shows the possible implications of less ambitious increases in enrolments and input factors; effectively representing a mix between attempts to increase access and improve quality (DNA Economics and Mzabalazo Advisory Services, 2016).

Table 7: Annual estimates

Item (R'000)	Status Quo Scenario	Full Policy Scenario	Mixed Scenario
per learner expenditure	3.5	9.3	6.4
compensation of practitioners	1 989 659	3 939 212	2 720 666
Annual training and development costs (Bachelor of Education-Foundation Phase)	84 566	1 060 563	739 488

Table 8: Estimated costs over the 2016 MTEF period

R'000	Status Quo Scenario	Full Policy Scenario	Mixed Scenario
Estimated Expenditure	10 518 787	37 886 477	22 161 561

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Given the variances between provinces in terms of coverage and cost of provision of Grade R, projections of an overall spending gap may be useful for the most part. If government were to fund the difference to get to 100 per cent of Grade R places (for 5-year olds), another 348 551 Grade R enrolments will need to be added in the education system. At the current annual average cost of R3 507 per child, approximately R10.5 billion will be needed over the medium term to achieve 100 per cent enrolment rate of children for Grade R. If average spending is to be increased, the cost of universal coverage will obviously increase as a number of provinces spend less than the average at this stage.

To achieve White Paper enrolment targets while improving quality at the same time we need to consider the full policy scenario. This scenario models changes to the cost drivers and input factors that are likely to improve quality. As per the NSF-Grade R, per learner cost should have amounted to R9 300 as at 2015/16, which was not the case for any of the provinces. To achieve 100 per cent enrolment rates in Grade R, as well as improve the quality of education through training and developing practitioners for example, approximately R37.9 billion will be needed over the medium term. Achieving a more gradual attainment of universal access to Grade R, representing a mix between attempts to increase access and improve quality, will require expenditure of approximately R22.2 billion over the medium term. In this case, expenditure does not meet the National Norms and Standards for Grade R Funding and enrolment rates will be at 85 per cent by 2019, but there will be a considerable increase in the quality of education.

The total provincial allocations for Grade R amount to R12.1 billion over the medium term. This results in a surplus of R1.6 billion should the status quo remain. But if the calculation takes into consideration training and development costs of Grade R practitioners, as well as the increase in remuneration costs of practitioners after upskilling them to the required NQF level 6 or higher, costs will change considerably over the medium term as portrayed on table 9.

**Table 9: MTEF estimate comparisons**

<b>R'000</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Public Ordinary Schools (Programme 2)	160 830 715	170 878 900	180 863 471
Full Policy Scenario - Grade R (as per NSF-Grade R)	112 581 501	119 615 230	126 604 430
Grade R in public schools and ECD centres (Programme 5)	3 754 301	4 048 151	4 321 498
<b>Difference between full policy scenario costs and programme 5 funding</b>	<b>108 827 200</b>	<b>115 567 079</b>	<b>122 282 932</b>

\*source: Estimates of Provincial Revenue and Expenditure (EPRE)

The table above is a blanket approach that illustrates the funding shortfall that will be incurred should provinces attempt to achieve enrolment targets while improving quality at the same time, through proper implementation of the NSF-Grade R. The gap in expenditure estimates over the medium term for Grade R in the scenario costings (table 9) and the EPRE (table 10) seem significantly large, but one must bear in mind that the remuneration of Grade R

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practitioners is substantially lower than that of public ordinary school educators which have standardised salary levels. The number of educators in the system are much higher than those teaching Grade R. Furthermore, the compensation of employees budget is much higher in programme 2 (Public Ordinary Schools) and takes a considerably large portion of the programme's budget. If all PEDs moved towards standardising the salaries of Grade R practitioners, the difference between the current expenditure for Grade R (Programme 5) and the full policy scenario implementation for Grade R, as per table 10, would be more realistic.

Provinces should be able to meet universalisation targets by 2019, in terms of enrolments, but only the symptom of the problem would be dealt with. If funding is inadequate it means that schools have less to spend on LTSM as well as personnel and consequently, quality suffers. Although the DBE has finally sought to address the long-standing problem of under-funding of Grade R through the "universal access to Grade R" policy framework, adequate funding for proper implementation will remain a challenge.

#### **4. Savings and trade-offs**

The costing has illustrated that there is a huge funding shortfall as opposed to a surplus for Grade R. Instead of making savings or trade-offs, the Grade R programme is in need of additional funding. This will address the numerous challenges faced in implementing the programme in line with set policies and minimum norms and standards. In an attempt to find savings or make trade-offs, reducing the compensation budget was considered, but the stipends received by practitioners is currently problematic as it is significantly low in comparison to other educators' remuneration in public ordinary schools. As a result, savings and/or trade-offs were not found in this programme. Perhaps the provincial education departments could look into finding savings or make trade-offs from other budget programmes or projects that are not performing well or not spending sufficiently to fund the improvement of the Grade R programme.

#### **6. What is the way forward?**

There is an overabundance of studies confirming the benefits of early learning, and it is encouraging that there are policies and plans to build on the strides South Africa has made to get children into schools and ECD centres. The challenge now is to provide quality education. Quality education can only be delivered to five year olds if there is an investment in producing suitably qualified teachers, supported by appropriate in-service training programmes. If there is an assurance that Grade R will be funded adequately and measuring tools will be put in place to monitor the quality of the education necessary for successful Grade R education, the country will be well on its way to achieving imperative national objectives.

The poor levels of qualifications of the Grade R practitioners means that their learners are marginalised from effective Grade R education, which appears to be one of the main reasons why children struggle in achieving learning and school readiness outcomes. A well-grounded training programme for Grade R practitioners will contribute to bridging the school readiness gap and lay a firm foundation for ensuring the future learning success of Grade R learners. In the long term, practitioners with level 1, 4 and 5 training should only be allowed to be assistants to qualified

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practitioners. Considering that research shows that numerous practitioners lack suitable qualifications to teach Grade R learners, an intervention programme should be developed as a guideline for teachers to use in their classes (Ona Janse van Rensburg, 2015: 17).

Attention should be given to the qualifications of teachers and parents should become more involved. The question that must now be asked is what kind of practitioner is required to implement the high quality approach that is constantly spoken of? The suggestion would be that this approach requires a practitioner who is fully qualified, capable, and well informed about holistic child development. Furthermore s/he is aware of and is able to accommodate children coming from varied economic and socio-cultural contexts and has a deep understanding of what constitutes high quality Grade R practice.

The various education departments, excluding those that have already executed this, need to clarify exactly how they plan to train, re-skill and pay practitioners - especially since many Grade R teachers are paid stipends as opposed to salaries, which makes a noticeable difference in remuneration. Furthermore, a uniform standard regarding salary levels for different practitioner qualifications, similar to those set across government for other educators, need to be established in provinces for practitioners. This could possibly entice and attract Grade R practitioners with appropriate qualifications, resulting in the achievement of quality Grade R programmes with favourable learner-teacher ratios as envisioned in the norms and standards for Grade R.

Another issue worth pointing out is the overall average annual expenditure per learner numbers that many provinces are struggling to meet, as well as those provinces whose expenditure per learner numbers have declined. This further perpetuates the long-standing issue of underfunding of Grade R by provinces as they are not meeting the National Norms and Standards for Grade R Funding (NSF-Grade R). This needs to be addressed going forward.

The differences in spending patterns across provinces may be due to the misdirection of funds. Provincial education departments and schools may be guilty of cross-subsidisation, with money earmarked for Grade R finding its way to other educational needs. Earmarking of funds for critical areas such as training and LTSM should be considered. The PEDs need to think long and hard about all the financial implications that will come with the implementation of the “universal access to Grade R” policy framework. Strategies on how to fund this policy framework need to be put in place.

Learner teaching will not improve until teaching itself improves. Higher standards and more testing do not by themselves, improve teaching. Teachers, working alone, with little or no feedback on their instruction will not be able to improve significantly – no matter how much professional development they receive. The challenge of change leadership is to create a system for continuous improvement of instruction, supervision and instructional leadership (Wagner, 2005). Supervision, also through thorough monitoring and evaluation, should be frequent, rigorous, and entirely focused on the improvement of instruction. It should be done by people who know what good teaching is and the best methodologies to be used in reaping the desired results. “Policies that seek to remedy deficits incurred in early years are much more costly than early investments wisely made, and do not restore lost capacities even when

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large costs are incurred. The later in life we attempt to repair early deficits, the costlier the remediation becomes”- James Heckman.

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