GTAC Analyse Assess Activate
Strategic & Technical Advisory
National Treasury
REPUBLIC OF SOUTH AFRICA

2022

Getting to school on time

Common lessons from expenditure reviews on scholar transport

ADVISORS: ANTONY ALTBEKER & JAMIE DE JAGER

SECTOR: TRANSPORT

PUBLIC EXPENDITURE AND POLICY ANALYSIS

SAVINGS@WORK
GOVERNMENT SPENDING REVIEWS

Acknowledgements

This report draws lessons from a number of “mini-PERs”: performance and expenditure reviews conducted by officials during the course of their training on the PER methodology between 2016 and 2021. In this period 9 reports were written by the following officials:

- Joanna Adu-Boahen
- Nontsikelelo Buzani
- Samkie Dhlamini
- Sivu Dlova
- Reginald Mofokeng
- Thulani Motjoadi
- Kulani Mtileni
- Lindiwe Ngongwane
- Michael Rammabi

Authors

Antony Altbeker

Jamie de Jager

Citation

GTAC (2021) *Getting to School on time: Common lessons from expenditure reviews on scholar transport.* Prepared for GTAC. Pretoria. South Africa.

Disclaimer

TABLE OF CONTENTS

1. Introduction

South Africa's constitution provides that "Everyone has the right to a basic education, including adult basic education", a right that, unlike some of the other socio-economic rights it provides for, is immediately and fully enforceable, and is not subject to the provision that the state it is to be progressively realisable in line with the state's resources. This means that government is obliged to provide basic education to all children. SA's courts have also held that access to a school is a component of the right to education, with the judge in the *Juma Masjid* judgement (2015) holding that "[I]n instances where scholar's access to schools is hindered by distance and an inability to afford the costs of transport, the State is obliged to provide transport to them in order to meet its obligations, in terms of s 7(2) of the Constitution, to promote and fulfil the right to basic education." We will return to this issue in section 3.3, but for the moment, the clear implication of this seems to be that, because it is not viable to ensure that every child has access to a school in their immediate vicinity, government must also provide transport for children for whom there is no school within walking distance. For practical purposes, most provinces have defined "walking distance" to mean 5km, although in KZN a cut off of 3km is used.

Providing learner transport is a costly undertaking, with the costs determined by a number of factors:

- The overall number of learners requiring transportation
- The number of individual routes serving the eligible population
- The number of learners per route, which determines the number of vehicles and their capacity
- The nature of the roads to be travelled, which may affect the nature of the vehicle/s needed
- The number of kilometres travelled on the return route

It is important to note that, as a general proposition, the public provision of learner transport services is not the sole concern of learner transport policy, which is equally concerned with regulating *unsubsidised* learner transport, much of it arranged by parents and communities, and which is provided not just to learners who live further than 5km from the school but to those who live closer. That components of the policy seeks to ensure that all schemes – including those that make no claims on public resources – comply with a range of requirements that will maximise the safety of children. The use of bakkies for the transport of learners, for example, is prohibited; drivers in these schemes are required to have public driving permits; vehicles must be less than 12 years old and their roadworthiness must be tested; etc.

It is important to understand publicly provided learner transport paid for by the state in the context of the wider aims of the learner transport policy because, to the extent that unsubsidised schemes tend to be unsafe, the provision of subsidised transport may be thought of as having the goal of improving learner safety, and that this is to be achieved by replacing unsafe, non-unsubsidised transport that is provided by parents/communities with safe services provided by the state. Framed in this way, the goal of policy is not to ensure that children get

to school, but to provide services in areas where, left to their own resources, learners' parents and communities might be able to offer only unsafe options. The right to transport, in other words, is not absolute, and, where such transport is not available, parents and communities are still required to provide transport that is safe.

1.1. The numbers

According to StatsSA's National Household Transport Survey (NHTS), on any given day in 2020, about 15 million learners made their way to and from school, a number that is about the same as the number of people who go to work each day. Of these, nearly two-thirds (63%) walk, while about 14% of learners use taxis and another 15% arrive in cars or trucks, with trains (0.1%), buses (5.8%) and "other" (2.3%) accounting for the rest.

Seen in this context, it is clear that only a minority of learners are beneficiaries of subsidised learner transport schemes, with the average number of such beneficiaries being about 360 000 between 2012 and 2014 at an annual cost that had risen to about R1.9 billion by 2014/15 (Table 1). According to a 2017 "School readiness report" prepared by the DBE, the number of beneficiaries of these schemes had risen to 420 000 by the first quarter of 2016/17 (quoted in Budlender, 2017: 6) , a figure that has subsequently risen to nearly 650 000 (Table 3). This accords with the 2020 NHTS, which estimates that about 670 000 learners used government-provided transport to travel to and from school in 2019.

Table 1: Spending on learner transport, 2012/13 to 2014/15

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**

Source: Ngcongwane (2016)

A 2017 report by an NGO provided some updated number, reflected in Table 2, whose numbers differ somewhat from those presented in Table 1 for the overlapping years, but which also show that spending may have reached R3 billion by 2017/18, suggesting an average annual increase of 18% since 2013/14. According to Vulindlela (Table 3), spending on scholar transport in 2021/22 was just less than R4 billion, a rise of 30% since the 2017/18 figures reported by Budlender. This represented a cost of about R6 200 per scholar transported in 2021/22, or about R30 per day per beneficiary.

Table 2: Budgets for learner transport: 2013/14 to 2017/18

Province	2013/14	2014/15	2015/16	2017/18	Average annual increase
EC	210 000	356 076	432 000	498 000	24%
FS	36 300	27 589	40 000	40 000	2%
GP	165 319	338 349	461 000	779 076	47%
KZN	140 081	168 430	185 976	190 000	8%
LP	134 209	152 995	141 103	274 000	20%
MP	350 145	455 000	441 622	467 448	7%
NC	101 061	116 097	118 280	125 310	6%
NW	200 000	240 444	264 466	287 100	9%
WC	207 436	242 593	270 138	380 047	16%
RSA	1 544 551	2 097 573	2 354 585	3 040 981	18%

Source: Budlender (2017)

Table 3: Scholar transport programme beneficiaries (2021/22)

Province	2021/22 Budget (R000)			No. of eligible learners	No. of transported learners	Eligible but not benefitting	% of benefitting learners
	Education	Transport	Total				
Eastern Cape	10 393	654 337	**664 730**	152 998	124 727	28 271	82%
Free State	70 476	0	**70 476**	9 808	9 808	0	100%
Gauteng	1 166 963	0	**1 166 963**	170 000	167 536	2 464	99%
KwaZulu-Natal	11 068	456 863	**467 931**	184 163	67 163	117 000	36%
Limpopo	328 602	0	**328 602**	53 160	53 160	0	100%
Mpumalanga	0	438 677	**438 677**	79 776	70 092	9 684	88%
Northern Cape	165 024	0	**165 024**	27 256	26 460	796	97%
North West	22 139	300 000	**322 139**	73 661	63 197	10 464	86%
Western Cape	357 375	0	**357 375**	62 723	62 723	0	100%
Total	**2 132 040**	**1 849 877**	**3 981 917**	**813 545**	**644 866**	**168 679**	**79%**

Source: Vulindlela

2. How many learners are eligible for subsidised scholar transport?

Although something more than 400 000 learners benefited from subsidised transport schemes in 2014/15, data from StatsSA suggests that a significant fraction of learners who walked to school (5.3%) in 2019 were walking for more than an hour each way. That translates to just under 450 000 individual learners who appear to be walking more the maximum 5km that the learner transport policy deems the point at which they become eligible for subsidised transport. This point is made by Budlender (2017), which seeks to make the case using General Household Survey data that the size of the population of learners eligible for subsidised transport is in the order of 1.1 million based on the number of learners who report walking to school for more than an hour each morning (*op cit:* 16).

Framed literally, this would seem to imply that even if we assume that the NHTS is correct in its estimate of the number of learners receiving subsidised transport, another 500 000 learners may, in principle, be eligible? If so, that would have serious cost implications. There are, however, reasons to doubt whether this is so. One reason for saying so is that, in terms of the policy, government is obligated to provide transport only to the nearest suitable school. To the extent that there are learners who are walking long distances because they are choosing to go to a school that is not the closest to their homes means that they do not, in fact, qualify for subsidised transport.

More importantly, it is at least arguable that the obligation on government is not to ensure that every child can get to school at no cost (although that is the literal import of the *Juma Masjid* judgement cited above), but that a school is accessible and that it can be accessed safely. In the context of budget constraints, this might be interpreted to mean that government has an obligation to ensure that learners have access to safe transport with which to get to school, an obligation that will often be fulfilled by (a) regulating the provision of learner transport and, more often, (b) by ensuring learners have access to suitable public transport. These conditions are likely fulfilled in most urban areas. The fact that hundreds of thousands of learners walk to school, in other words, is not *prima facie* evidence that government has not fulfilled its obligation to make schools accessible if the means to get to school safely are, in fact, in place. It is true, of course, that households may choose not to expend limited household income on public transport for learners to get to school, but it arguably does not follow from that fact that government is obligated to provide free transport.

This, in fact, is the *de facto* situation, where policymakers, who are unable to allocate sufficient funding to provide free transport to all learners who live more than 5km from school, use a variety of factors to prioritise provision. In the Western Cape, for example, provincial learner transport policy deems some areas (e.g. areas within the boundaries of the Cape Town Metro) ineligible for subsidised transport because of the availability of public transport. Similarly, KZN's policy says that budget constraints demand prioritisation, and that one such criterion is the availability of public transport alternatives.

3. Managing the provision of subsidised learner transport

However many learners are eligible for subsidised transport, provincial departments of education and transport are responsible for ensuring that these services are provided in as efficient and as cost-effective a manner as possible. This is not easy, and, in practice, policymakers confront numerous challenges in balancing supply and demand for these services, and in ensuring that those services for which they contract are delivered in a manner that complies with the legal and contractual requirements placed on service providers.

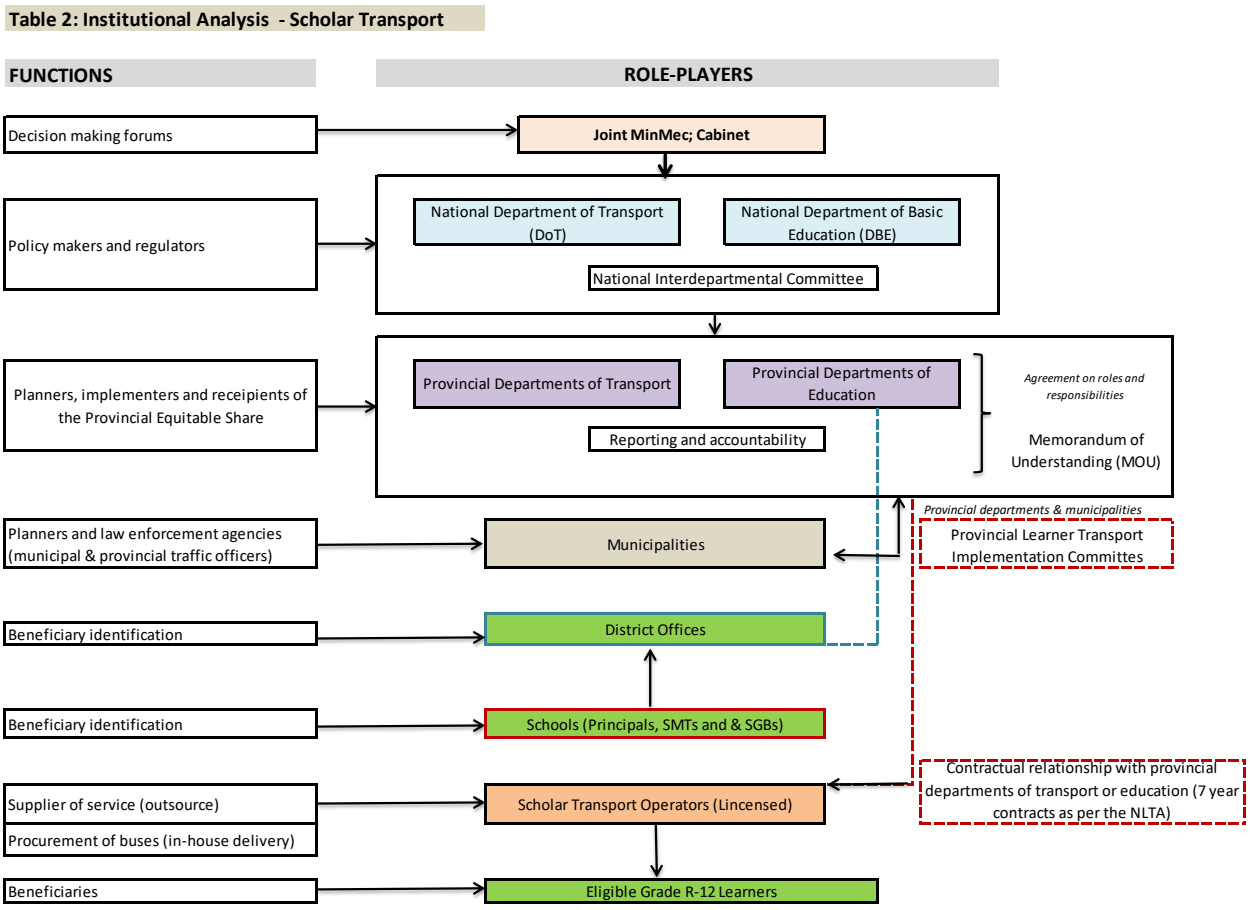
In practice, provinces' budgets for learner transport are generally prioritised for learners in rural areas because that is where learners may live furthest from school and where public transport is unreliable or non-existent. It is, in any event, not obvious that there are many homes in the metros that are more than 5km from the nearest school, except, perhaps, on the outskirts of cities in fast-growing informal settlements. In these circumstances, routes will be

approved to provide learners with transport, with priority generally given to routes where the number of learners meets a minimum threshold (below which routes are deemed to be commercially unviable), and/or where a route to school may be especially difficult (because of the terrain) or dangerous (e.g. because rivers must be crossed).

There is broad consensus that responsibility for managing subsidised learner transport is divided between Provincial Departments of Education and Departments of Transport, and different provinces allocate responsibilities for the function differently to the two department. Budgeting for the service is done either by the department of education or of transport, though in either case, the education department has the responsibility for identifying and quantifying the number of eligible learners. Transport departments manage service provision and service providers, ensuring their compliance with the relevant regulations regarding the transport of learners. They are also responsible for seeking to ensure optimal integration of learner transport into other modes of public transport, though this may be a function that may be shared with the relevant local authorities who are responsible for integrated transport planning.

Decision making on prioritisation and implementation of subsidised learner transport is governed by a complex set of policies and institutional functions that is well-described by Rammabi (2016), and reflected in Figure 1.

Figure 1: Institutional analysis of decision-making with respect to subsidised scholar transport



Source: Rammabi (2016)

3.1. From policy to contracts and payment

Generally, the following process steps are applicable for contract development and management:-

1. The provincial government customises the National Learner Transport policy.
2. A Service Level Agreement is signed by Departments of Transport and Education.
3. Qualifying learners and preliminary routes are identified by the Department of Education.
4. The Department of Education develops a database of qualifying learners. After the database has been approved and signed, it is submitted to the Department of Transport.
5. The Department of Transport or Education develops a well-defined learner transport services design, which among others, contains route descriptions, vehicle types, trip length, and pick-up points.
6. The Department of Transport or Education, procures vehicle operators who are responsible for the actual transportation of learners.
7. The Department of Transport or Education develops route allocation letters/forms with individual vehicle operators. This letter, among other things highlights the learner numbers to be ferried by each vehicle operator, the respective schools, routes and pick-up points.
8. This allocation form is then signed by both operator and the relevant department.
9. School Principals confirm that learners were ferried by the daily signing of the proof of delivery (POD) forms that are kept at schools. Schools also keep copies of route allocation forms.
10. The POD forms are collected from the school for verification purposes by the contracting department.
11. The signed POD forms are attached to invoices when claiming payments against services delivered. The risk of non-timeous signing of these forms is the payment of services that were never rendered.

3.2. Managing trade-offs in the system of subsidised learner transport

There are a number of challenges and trade-offs that the system of subsidised learner transport needs to manage. Chief among these are:

- At the macro level, eligibility must be defined so to ensure the government recognises and gives effect to the legitimate rights of learners to be able to access schools and

ensure the system provides transport to all those who need it and are entitled to it, while also remaining within the bounds of affordability

- Ensuring that appropriate systems are in place at each school to assess individual eligibility, while minimising the risk of either failing to provide transport to those who are eligible and the risk of providing transport to those who are not eligible
- Defining routes optimally so that costs are minimised, a process that must seek both to minimise the length of routes and ensure that they are serviced by the optimal vehicle
- Managing service provision on a day-to-day, week-to-week and month-to-month basis in a way that minuses the potential for service providers to under-provide or to over-claim, while recognising the inherent risks of a service of this kind: the learner numbers will vary, that vehicles will break down, that road accidents will happen, etc. It must also be recognised that individual service providers may seek to exploit vulnerabilities in the system, and may collude with officials in this.

Each of the above issues presents challenges that need to be managed through statutory, regulatory and contractual instruments.

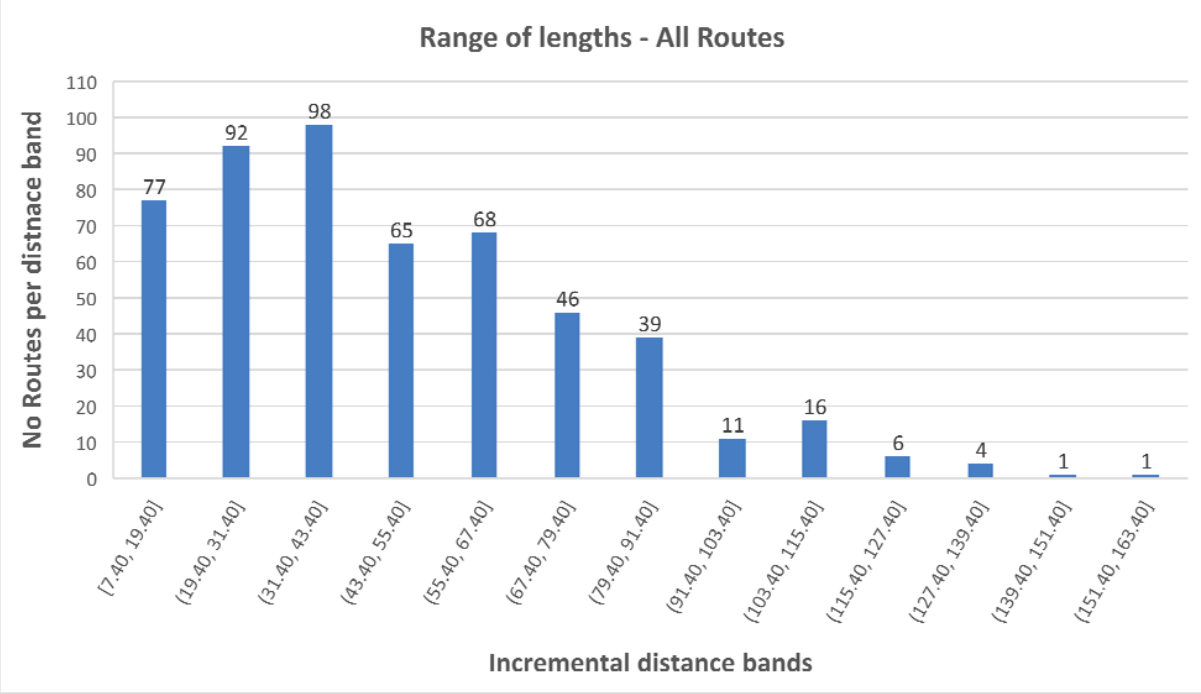
3.3. Defining eligibility at the macro-level

As noted above, the Constitution provides that all children have an immediately realisable right to basic education, and a High Court decision in the Eastern Cape in *Juma Masjid case* held that "[I]n instances where scholar's access to schools is hindered by distance and an inability to afford the costs of transport, the State is obliged to provide transport to them in order to meet its obligations, in terms of s7(2) of the Constitution, to promote and fulfil the right to basic education."

Thus, the law recognises that distance and affordability constrain access to schools, and, where this is the case, the state has an obligation to provide learner transport. In practice, provinces generally use 5km as the threshold beyond which a right to transport may be created. KZN, however, uses a threshold of 3km for assessing eligibility, which may be one reason why nearly 70% of eligible scholars who do not receive transport are from KZN (Table 3). This, in turn, suggests that a national norm of 5km may be sensible.

Although the 5km/3km threshold is used as a minimum requirement for eligibility, in practice, budget constraints mean that the state cannot and does not provide learner transport to every child who lives beyond the distance threshold, and so a process of prioritisation is applied which takes into account factors like distance. Thus, a 2016 review of the 527 subsidised routes in the Western Cape (WC) that were being digitised found that almost all of them were far longer than would be expected if large numbers of learners were being transported the minimum distance: in fact, the average return route length is 48.8km, while the median length is 42.4km, though the author notes some "surprise" that six routes' return length was less 10km (Hitge, 2018). This, however, may simply reflect that those routes qualified on the basis of some kind of exceptional characteristic, such as being through particularly difficult or dangerous terrain that made it unsuited to walking (e.g. because of the presence of gangs or the need to cross highways).

Figure 2: Routes by return length, WC 2016



Source: Hitge (2018)

Spending Review Proposal

While it is probably impossible (and undesirable) to eliminate all discretion in relation to the prioritisation process, policymakers can make (and have made) some choices that will ensure that scarce resources available to departments for learner transport are targeted at learners who are most in need. Such choices include the aforementioned definition of a threshold distance below which a learner is definitively not entitled to learner transport except in extreme circumstances, as well as the provision that subsidised transport can only be provided if the learner lives far from the *nearest* school, even if that is not her preferred school.

Given budget constraints, it may be possible to narrow further the minimum criteria for eligibility for learner transport by, for example, changing the threshold distance or, as some provinces have done, designating areas that are reasonably well-served by public transport as ineligible for services. The WC also denies services to all learners who live beyond the provincial boundary, even if the closest school is in the WC.

Assessing individual eligibility

Guidelines for eligibility must be developed and applied so that individual learner's circumstances can be assessed against them, a process that is key to assessing both the number of learners in need of transport and their spatial distribution. Both variables are critical for the purposes of prioritising routes (so that the maximum number of the learners who are

most in need are provided with services) and for assessing what kinds of vehicle should service those routes.

There are obvious risks associated with this process in that it may undercount learners who are eligible (creating difficulties for providing services later) or that it may include learners who are not eligible (resulting inefficient and wasteful expenditure). There is no set of guidelines, however, that would eliminate all risk or avoid trade-offs, but key eligibility criteria would include:

- Distance from school
- Special circumstances (e.g. disability or particular dangers along the route such as river-crossings)
- The availability of alternative means of transport
- Setting a minimum number of users per route to avoid establishing expensive routes that serve few scholars

A different kind of risk is that the system may be deliberately manipulated in order to misrepresent actual need in an effort to ensure that provision for services is unnecessarily large (and expensive).

These risks all need to be managed internally during the application process and need to be verified periodically through the course of the year.

In practice, however, assessing the number of learners in need of transport begins with the collection of school-level data by principals, whose lists are sent to districts where prioritisation takes place. These lists need to be updated and verified at least bi-annually since the precise number of eligible learners on any given route may change over time. Here, the most complex challenges arise in areas in which there are fast-growing informal settlements and where he number of schools/classrooms has not kept pace with the pace of population growth. This can lead to significant changes in the number of eligible learners each year, complicating planning and budgeting. In the context of long-lived contract, it might make sense in these circumstances to provide for excess capacity (in the form of larger-than-optimal vehicles) in the initial part of a multi-year contract. The risks of making provision for this are, however, self-evident.

Optimal route design

For obvious reasons, routes need to be designed as cost-effectively as possible. This is a much more challenging requirement than is often realised. Getting the balance between multiple vehicles running shorter routes and a single vehicle doing a longer, more circuitous route can be challenging. Hitge (2018) invites readers to “consider a route of 40km in one direction, with a total of 30 learners. If more than half of learners live more than 30km from the school, two taxis may be employed to travel along the length of the route. However, if the majority of learners live under 10km from the school, only one vehicle need to travel the entire route length, while the second can be contracted for a limited distance.”

Apart from this kind of route-planning, policymakers can also try to ensure cost-effectiveness of routes through other means. In the WC, for example, routes cannot be authorised if they would serve fewer than 10 eligible learners, which ensures that resources are only allocated where there is adequate demand (although it is easy to imagine a successful legal challenge to this, especially in rural areas or places where there are many small schools). Another approach is to require learners to meet at central places and/or on main road, rather than approving more circuitous routes that would (a) be longer and more circuitous, and (b) may involve more demanding terrain/road conditions.

Critically, routes must be properly mapped and measured so that contracting is unambiguous, and any variations of a route that alters its length must be permitted only through formal, written agreement.

Contracting and contract management

There are a number of requirements with which any service provider must comply if they are to supply subsidised learner transport to a department of education. Some of these relate to the driver (e.g. she must be in possession of a PDP) or the service provider (e.g. she must be tax compliant, be insured in case of accidents, etc.), and some to the vehicle (e.g. it must be less than 12 years old, a recent road worthy certificate, first aid equipment, etc.). In addition, other standard terms of these contracts include a requirement that the service provider can replace a vehicle at short notice if there is a breakdown.

The most critical question for contracting is how to balance the risks between the service provider and the department. Here, the norm seems to be to tender for services on the basis of the expected number of learners on a route, to specify what kind of vehicle should be deployed, and then to pay on the basis of kilometres travelled irrespective of the number of learners transported each day. In the Eastern Cape, for example, only three vehicle sizes are permitted and the costs of the fixed costs of the vehicle are paid for using a per passenger formula that presumes the vehicle is always full. These contracts are generally for a 3 or 5 year period (provincial practices seem to vary) so that service providers can recoup the costs of the vehicle. This approach appropriately places the risk on the department for ensuring that it properly estimates the number of eligible learners on each route and from each school, a risk that cannot be managed by service providers.

Provision should be made to accommodate small variations in learner numbers on a route without changes to fleets or vehicles, but beyond a certain point, it will not be possible to address over- or under-provision of services after a contract is agreed. Contracts should therefore provide the education department with some flexibility to accommodate some variation in demand without impacting on agreed costs, although there will be limits to how far changes can be implemented without re-tendering.

One challenge that must be managed is ensuring that when a provider is appointed, she provides the services at the required level. In the absence of digital methods for checking that vehicles service the entire route on time and every day, reliance must be placed on school officials, learners and their families (who would, presumably, complain if services are not

provided). Daily signed sheets attesting to the arrival of learners are required for invoicing, but it would be helpful if the system were digitised and might even benefit from the capturing of time-dated digital images of each vehicle or GPS tracking data. In any event, routes should be optimised on an annual basis as the number of learners per stop could increase or decrease from one year to the next."

On the payment side there are no systems in place to link the POD forms and invoices to contract allocation letters and eventually the final payment. LOGIS is used sparingly and BAS payments are not inked to operators/routes and PODs. It is thus a challenge to reconcile the value chain and spreadsheets used are in most cases difficult to interpret.

3.4. Performance Monitoring

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. It would be useful for provinces to also track indicators such as:-

- percentage of applications processed;
- percentage of qualifying beneficiaries enrolled;
- route performance (on-time performance, beneficiaries per route, down time, vehicle capacity assessments etc.) for improvements
- percentage of on-trip breakdowns per year;
- number of vehicle inspections per quarter and
- the percentage trips running on time per year.

A significant proportion of this monitoring can be digitised and automated, although the costs of doing so are significant. The benefits of doing so, however, include much better oversight of service providers and greater capacity to make cost-saving adjustments.

4. Concluding remarks

The provision of publicly financed scholar transport is essential in a society in which schooling is compulsory and free, but many learners live far from the nearest school. The dilemmas and trade-offs of these policies necessitate complex contracting arrangements in which there is a risk of over- and under-provision, as well as risks of exploitation and abuse by service providers. No set of recommendations will resolve all these challenges, but to improve scholar transport, both national and provincial departments should consider:

- Standardising and intensifying expenditure and performance reporting, monitoring and evaluation;

- Standardising the funding model – i.e. fixed and variable expenditure management and verification processes for payments
- Developing a national system to monitor and verify payments to operators which might be piloted in one or more provinces to test applicability and identify any possible challenges;
- Operator contracts should be designed flexibly to ensure provinces have the discretion to structure operator remuneration in terms of learner or kilometre tariffs;
- Reviewing regularly whether the number of beneficiaries allocated per route is correct as this is a key criteria for service provider tendering and has an impact on efficiencies (i.e. vehicles should function at near full capacity to ensure that km rates are appropriate)