

REVIEWING PROVINCIAL EDUCATION BUDGETS, 2004 TO 2010

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EXECUTIVE SUMMARY

This paper provides a review of national and provincial education budgets, with the aims of: first, surveying main expenditure trends in education; second, understanding the social and fiscal contexts in which provincial education budgets are made; third, quantifying progress in addressing input inequality; and finally, analysing trends in spending on conditional grants. We aim to provide a description of the main trade-offs in provincial education budgets, and their potential impacts on learners in poor communities.

Generally, debates over the total investment in education services focus on aggregate resources available to the provinces. Rarely is there an attempt to inquire about specific levels of funding in education sub-sectors, such as Early Childhood Education (ECD) or public Further Education and Training (FET) colleges. It is also rare to see factual accounts of the implementation challenges facing each of the sub-sectors. Such accounts enable us to better judge the need for additional and targeted funding, but what we often end up with is a very general rejection of increased education funding per se.

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Such an approach is unhelpful and encourages the view that government resources must be spent elsewhere. By continuing our focus on the level and distribution of education resources, we aim to keep alive an input and implementation focus on key education sub-sectors.

Projected spending on provincial education budgets in the last financial year was R90.2 billion, and this has increased to R104.2 billion in the new financial year. Consolidated provincial education allocations are projected to grow at a real average annual rate of 6 per cent between 2007/08 and 2010/11. By the end of the present MTEF, provincial education allocations are projected to increase to R125 billion.

Analysis of the education sector's transversal expenditure framework is a good point of entry for comparing spending common to all programmes and activities, and a number of significant trends emerge. Between 2004/05 and 2008/09, real expenditure on compensation has grown from R63 billion to R75 billion at a real average rate of 4.5 per cent. However, compensation as a share of total provincial education will drop from 83 per cent in 2004/05 to 74 per cent by 2010/11. Over the same period, expenditure on goods and services has doubled. Between 2004/05 and 2010/11, expenditure on goods and services will increase at a projected real average growth rate of 14 per cent, and transfers and subsidies at 13.2 per cent. Expenditure on capital is also projected to double in the same period. Trimming of personnel expenditure and public schools' share of consolidated provincial education spending has led to increased expenditure on service delivery programmes and other kinds of expenditure (transfers, capital and non-personnel recurrent). However, given both the incomplete resource transformation process and persistent poor academic outcomes, questions remain as to the relevance and effectiveness of this expenditure framework in moving school education forward.

Between 2004/05 and 2010/11, expenditure on consolidated provincial education has grown consistently, benefiting all of the main service delivery programmes. Expenditure on ECD will grow by more than 400 per cent, as a result of the policy mandate to achieve universal Grade R access by 2010. While expenditure on Adult Basic Education and Training (ABET) has grown in real terms, this has been at a much slower rate than ECD or Grade R budgets. And while re-capitalisation has helped to grow the public FET sector, the phasing-out of this grant will reduce the real value of the allocation, to about R2.6 billion at the end of the present Medium Term Expenditure Framework (MTEF).

In reconciling transversal and programme expenditure trends, we note that a large share of the real gains in goods and services and transfers will be paid over to public schools in the expansion of the school funding norms and standards. Public schools will also benefit from slow, steady real increases in compensation for teachers. The spurt in ECD allocations will also be supported by real increases in expenditure on transfers, and public FET

colleges will benefit from such transfers through the re-capitalisation programme. However, it does not appear that the proposed MTEF buys human capital in the form of many new employees.

Consideration of the absolute size of provincial education allocations is useful, but it is also important to take equity into account. In 2006/07, inequality in per capita spending on education between provinces increased slightly, but remains small. Traditionally "poor" provinces achieved parity with the national per capita average of R6 000, while spending in "rich" provinces dipped below the national average. This was in part due to above-average spending in the Free State and North West, and below-average spending in Gauteng.

Turning to conditional grants, in 2005/06 spending on the Life Skills and HIV/AIDS grant was over 20 per cent higher than planned (R164.4 million). Over-spending was highest in KwaZulu-Natal (63%), and under-spending only occurred in Limpopo and the Northern Cape. Recent available figures for 2007/08 show that provinces only managed to spend about 83 per cent of their original R166 million grant, with highest rates of under-spending in Limpopo (44%) and KwaZulu-Natal (32%).

The national school nutrition grant was transferred from the health sector to education in 2004, and in 2005/06 provinces spent 91 per cent of allocations, with under-spending ranging between 4 and 18 per cent. By 2007/08, provinces managed to spend 97 per cent of their allocations, with slight over-spending in the Western Cape and Gauteng, and under-spending in Mpumalanga and KwaZulu-Natal. Spending at around 100 per cent in other provinces suggests that targeting lists, which were revised following the transfer from health to education, have now been consolidated.

Expenditure figures are not available for public FET recapitalisation grants, as these are transferred directly from provincial education budgets to FET institutions and recorded as actual spending.

Looking specifically at expenditure in provincial education programmes that are not involved in direct service delivery, funding for Administration will increase nominally over the MTEF, but at a low rate of average annual change. Similarly, the average year-on-year increase in Auxiliary and Associated services will drop from 14.6 per cent between 2007/08 and 2008/09 to 2.8 per cent in the medium-term, possibly due to tougher procedures for appointing service providers.

Turning to service delivery programmes, allocations for Public Ordinary Schools (POS) continue to account for a large portion of the overall budget, increasing from R74.7 billion to R85.8 billion at a rate of 8.1 per cent between 2007/08 and 2008/09. However, this rate will fall to 5.7 per cent over the MTEF. In fact, with the exceptions of the ECD, Special Needs Education (ELSEN) and FET programmes, real increases in the budget of most programmes over the MTEF will be lower than the average rate of annual

change between 2004/05 and 2010/11, reflecting distinct policy prioritisation in those programmatic areas.

Between 2007/08 and 2008/09, real expenditure on POS increased at rates higher than the national average in the Eastern Cape, Limpopo, North West and the Western Cape, and was far below average in KwaZulu-Natal and Mpumalanga. In 2005/06, average per learner spend on POS was R5 075, and this increased to R6 201 by 2007/08. However, per learner spending on POS has generally been below the national average in the Eastern Cape, KwaZulu-Natal and Limpopo, and above average in the North West, Western Cape and the Free State.

ELSEN budgets will grow from R2.5 billion in 2007/08 to R3.9 billion in 2010/11, and total ELSEN growth rates are consistently higher than overall education growth between 2006/07 and 2010/11, representing a shift from previous years in which these budgets were of low funding priority. Growth rates in 2007/08 were 8.4 per cent in real terms, while successive years project 15.5, 5.6 and 10.7 per cent respectively.

Nominal per capita spending on ELSEN grew from R20 900 in 2004/05 to R24 700 in 2006/07, at rates almost four times the average in public schools. Per capita spending on ELSEN is also characterised by high levels of inequality, and the spending gap grew by nearly 40 per cent between 2004/05 and 2006/07.

Public FET college budgets increased substantially, from R2.5 billion in 2007/08 to R3.1 billion in 2008/09, at a rate of 16.7 per cent real annual change. However, this will not be maintained over the current MTEF, due to the phasing out of the recapitalisation grant. Between 2004/05 and 2006/07, per capita spending on FET colleges increased from R3 350 to R5 469, although this calculation is based on headcount data due to the lack of available data on full-time equivalents. Increases were not uniform across provinces, and FET per capita allocations for 2004/05 were three times more variable than corresponding figures in public school budgets. Traditionally "poor" provinces outspent rich provinces, with Gauteng spending 33 per cent less than the national per capita average.

Expenditure on ABET is projected to grow from R915 million in 2007/08 to R1.2 billion in 2010/11, at a real average annual increase of 4 per cent. The largest allocation in 2008/09 is in Gauteng (R255 million), while the Northern Cape and Western Cape have the smallest allocations at R28 million respectively. Gauteng spends ten times more than the Western Cape on ABET, highlighting weak spending and allocations for this programmes in the latter province. ABET budgets in recent years have lacked predictability, and sometimes appear to be the "leftovers" in provincial allocations processes. Present figures suggest the same: for example, in the Free State ABET budgets are projected to grow by 27.2 per cent in 2008/09, before dropping to 2.3 per cent in 2009/10 and 1.2 per cent in 2010/11.

National average per capita spending on ABET was R2 000 in 2004/05, rising to R2 900 in 2006/07 at a rate of approximately 50 per cent of the corresponding per capita spending on POS. Unlike in POS budgets, ABET investment differs vastly across provinces. Poor provinces spent approximately 47 per cent more than the national average in 2004/05, and 21 per cent more in 2006/07. In 2004/05, levels of inequality stood at 0.58, and although these levels dropped to 0.47 in 2006/07, this is still high in relation to inequality in other provincial service delivery programmes.

ECD expenditure is projected to grow from R932 million in 2007/08 to R3.2 billion in 2010/11, at a real average annual rate of 44.2 per cent. While these high rates of growth start from a relatively small expenditure base, this is indicative of provinces' attempt to provide universal Grade R access by 2010. While this paper is not an output review, elsewhere we have argued that such allocations are unlikely to buy quality Grade R provisioning. Enrolment data from the ECD sector is not as clear-cut as in other service delivery programmes, preventing strong conclusions on per capita measures and inequality. However, it can be said that allocations are radically heterogeneous across years and provinces.

We draw a number of conclusions from the present review of education expenditure. First, the containment of personnel expenditure occurs across all programmes, and therefore the beneficiaries of growth are more likely to go to direct programme activities. At a programme level, the most obvious winners were the ECD and ELSEN programmes, although both are dwarfed by the sheer size of the POS budget. These observations support the view that the present education MTEF is focused strongly on supporting the implementation of ongoing policy commitments.

Second, inequalities at the programme level continue to reflect the relative funding and implementation attention given to programmes. The lowest form of inter-provincial input inequality is found in the POS programme, whereas in 2006/07, inequality in ABET programmes was almost four times worse than in corresponding public school budgets.

Third, despite some improvements, official publications are not yet up to the challenge of providing reliable and accurate education data that can be used to assess implementation progress. Enrolment data in the ECD and FET college programmes are two good examples of this problem. While the FET headcount enrolment data are inappropriate to calculate relative service delivery burdens across provinces, it is far from clear how existing ECD enrolment data can be used to indicate trends in input equality. Not only are the data discrepant across academic years for many provinces, there are also no clear guidelines on what the ECD enrolment data really mean.

Fourth, the available data on the implementation of the life skills and HIV/AIDS grant suggest that spending rates have progressively declined over

a three-year period from 2005 to 2007. While provincial education departments over-spent by 20 per cent in 2005, at the end of the last financial year, provinces collectively under-spent by 17 per cent. The two main culprits were KwaZulu-Natal and Limpopo, which under-spent their allocations by 32 per cent and 44 per cent respectively. Spending on the national school nutrition grant varies from a 9 per cent under-spent in 2005 to just 3 per cent in 2007. However, in 2007, Mpumalanga managed to under-spent its allocation by 11 per cent, while the KwaZulu-Natal education department spent 7 per cent less than its original allocation. These under-spending rates are difficult to justify, especially in contexts where there are legal disputes about the exclusion of many poor schools.

Provincial education MTEF 2008 continues to provide more funding benefits to the poorest learners in South Africa. Support of policy implementation in the ECD, public schools, and ELSEN programmes are to be welcomed. While serious questions remain about the adequacy of inputs to both the POS and ECD programmes, inclusive education is slowly being put back on track. However, funding limitations remain in that no conditional grant has been provided for the inclusive education initiative, the national school nutrition programme is still stuck at the primary school level, and ABET funding is still neglected. Much work still lies ahead before the resource agenda recedes into the background, and other equally important issues can be tackled with all the energy the sector has at its disposal.

SECTION 1: INTRODUCTION

The funding of education services at the national and provincial levels remains a controversial issue. The fact that the education sector receives the largest budget allocation, as well as recurring evidence of poor academic outcomes, reinforces the view that quantitative resource distribution has outlived its usefulness and application.

Most of these debates focus on the aggregate level of resources that is available to provincial education decision-makers. Rarely is there an attempt to inquire about levels of funding in each of the education sub-sectors, such as Early Childhood Development (ECD) or public Further Education and Training (FET) colleges. It is also rare to see factual accounts of the implementation challenges facing each of the sub-sectors. Such accounts enable us to better judge the need for additional and targeted funding, but what we often end up with is a very general rejection of increased education funding *per se*. Such debates and calls are unhelpful and only serve to strengthen resistance to a better funding dispensation for the education and training sector. To counter such one-sided accounts, we undertake an annual review of national and provincial education budgets with the following main aims in mind:

- To survey the main trends in national education and consolidated provincial education expenditure.
- To understand something of the social and fiscal contexts in which provincial education budgets are made.
- To quantify the progress provincial education makes in addressing the apartheid legacy of input inequality.
- To provide a description and explanation of actual spending trends of conditional grants.

Our analyses are oriented towards providing a rigorous description of the main trade-offs in provincial education budgets and how these decisions are likely to affect learners from poor communities. We are aware of the limitations of examining financial inputs only, but we believe that an updated statement of the main assumptions governing provincial education budgets remains relevant.

Road Map of the Paper

The paper is structured in the following way. Section 2 provides the big picture of provincial education finance and focuses specifically on the “transversal” and programme expenditure frameworks. It also provides a summary statement of the levels of funding inequality among provincial education departments. Section 3 offers more in-depth analysis of provincial service delivery programmes. For each sub-sector, we analyse consolidated provincial education spending and real growth rates over a four-year period,

as well as summary inequality measures for the period 2004/05 to 2006/07. This period has been chosen as it contains useful enrolment data in all the service delivery programmes, except the ECD programme. Also, in the case of public schools, official enrolment data are available for 2007, thus making it possible to extend summary inequality measures up until 2007. Section 4 offers concluding comments and remarks.

SECTION 2: ANALYSIS OF PROVINCIAL EDUCATION ALLOCATIONS AND EXPENDITURE

Context

Since 2000, provincial education budgets have been formulated to provide strong real boosts to expenditures on the non-personnel side of the budget. This situation was forced upon decision-makers by larger-than-expected personnel increases in the late 1990s and the belief that non-personnel expenditures are more powerfully related to quality gains. This expenditure framework has led to the moderation of personnel expenditures (Wildeman, 2008: 6) and the trimming of public schools' share of consolidated provincial education spending. This has paved the way for the expansion of other kinds of expenditures (transfers, capital and non-personnel recurrent) and service delivery programmes. While these shifts have undoubtedly taken place, we have begun to ask questions about the usefulness of this framework, especially in view of an incomplete resource transformation process and recurring poor academic outcomes (Wildeman, 2006: 52).

It is as if expenditure allocations in provincial education departments are stuck in a time machine and decision-makers do not have the ability or the will to fundamentally review provincial education spending. We have referred to this as the "business as usual" approach and urged policy-makers to re-think allocation strategies in the sector. We have implied that the expenditure framework that was adopted after the personnel shocks of 1996 is no longer relevant, nor does there appear to be a strong rationale for its indefinite extension.

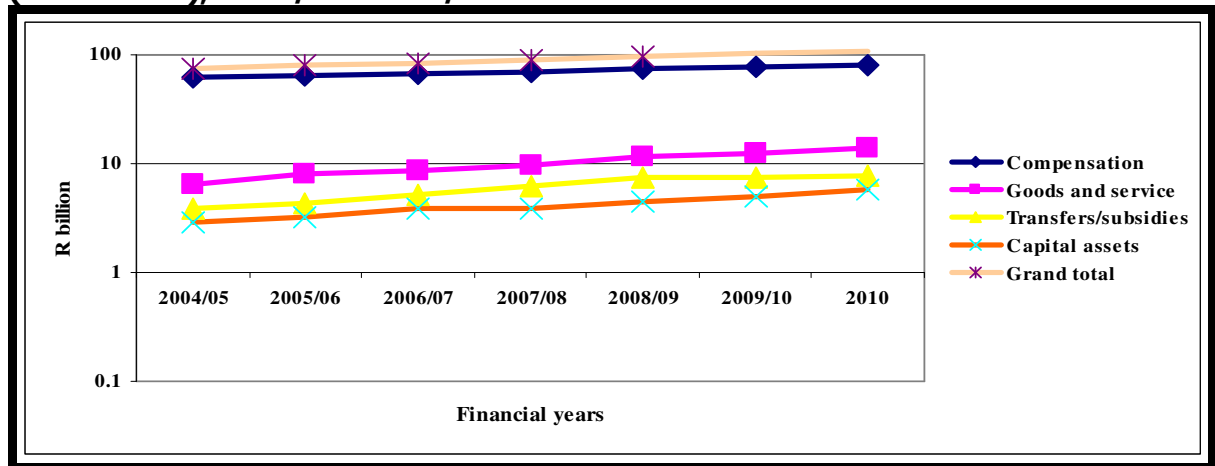
This annual review of provincial education budgets seeks to examine changes to this framework, whether at the programme level or transversal expenditure level. This is the subject of the analysis in the sections below.

Transversal and Programme Expenditure Framework

Information on expenditure is organised in different ways in government budgets and our first point of entry concerns the distribution of expenditures common to all programmes and activities. We believe that this is an absolutely necessary step to obtain conceptual purchase on the specific budget under examination. This is especially so in the case of education budgets, in which the precise combination of goods and services is critical

from a service delivery point of view. We refer to expenditures on personnel, goods and services, transfers and capital across programmes and activities as the transversal expenditure framework.¹ Figure 1 provides information on the transversal expenditure framework in provincial education for the period 2004/05 to 2010/11.

Figure 1: The present transversal expenditure framework: real spending (2007 rands), 2004/05 -2010/11



Source: Provincial Budget Statements 2, 2008

In 2004/05, real expenditure on compensation stood at R63 billion, while in 2008/09, this expenditure was equal to R75 billion. Between 2004/05 and 2008/09, expenditure on compensation grew at a real average annual rate of 4.5 per cent. In 2004/05, expenditure on compensation constituted 83 per cent of total provincial education spending, whereas in 2008/09, such shares have been reduced to 76 per cent. By the end of the present Medium-Term Expenditure Framework (MTEF), expenditure on compensation is projected to consume only 74 per cent of total budget, which means a loss of almost 10 per cent of total budget share over a six-year period.

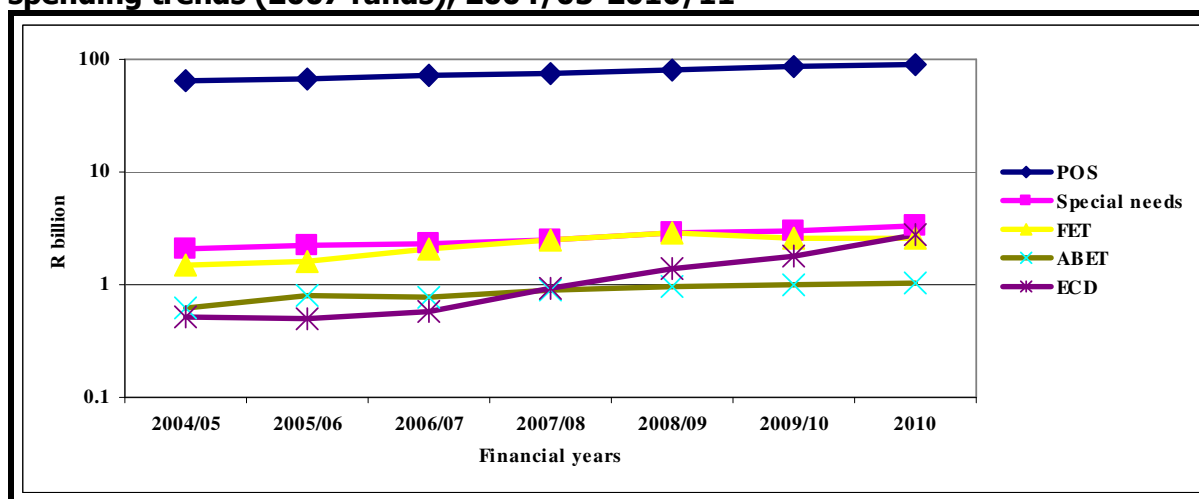
This is indicative of the shift in expenditures that has defined provincial education budgets in the post-2000 period. Whereas expenditure on compensation has been significantly down-sized, expenditure on goods and services has doubled over the same period. In 2004/05, expenditure on goods and services was R6.4 billion, while the corresponding projected number in 2010/11 is R13.9 million, which represents a projected real average growth rate of 14 per cent over this period. While the absolute growth of transfers and subsidies takes off from a lower spending base, these expenditures register a real average annual growth rate of 13.2 per cent. In this regard, the transfers and subsidies category grows from R3.8 billion in 2004/05 to R7.5 billion in real terms in 2008/09, and accelerating to R7.8 billion at the end of the present MTEF.

Expenditure on capital is also projected to double over the period 2004/05 to 2010/11. In 2004/05, real capital expenditure of R2.9 billion was recorded and this number grew to R3.9 billion at the end of the last financial year. By

the end of the present MTEF, real expenditure on capital is projected to be R5.8 billion.

Figure 2 provides information on the programme expenditure framework and indicates how the same sum of resources is divided across the key service delivery programmes.

Figure 2: The present provincial education programme framework: real spending trends (2007 rands), 2004/05-2010/11



Source: Provincial Budget Statements 2, 2008

There are four interesting stories coming out of Figure 2, namely:

- Expenditure on consolidated provincial education has grown consistently over the period depicted above and all the main service delivery programmes have benefited from such growth.
- Expenditure on the ECD programme is projected to grow by more than 400 per cent in real terms over the period 2004/05 to 2010/11. This spurt is directly related to the policy mandate of achieving universal Grade R access by 2010.
- Although Adult Basic Education and Training (ABET) budgets grew in real terms over the period, growth in allocations for Grade R and ECD are projected to be seven times faster than ABET budgets. In fact, in 2008/09, ABET budgets are approximately 29 per cent smaller than ECD budgets, but by the end of the MTEF, these budgets are just over one third the absolute size of ECD budgets.
- While the re-capitalisation of the public FET sector has helped to grow this sector, the phasing out of this grant will reduce the real value of this allocation. By the end of the present MTEF, the projected real allocation for this sector is R2.6 billion, while the corresponding outlays for ECD and Special Needs Education (ELSEN) are R2.8 billion and R3.3 billion respectively.

We are now in a position to reconcile the transversal and programme expenditure trends. A large share of the real gains on goods and services and

transfers will be paid over to public schools in support of the expansion of the school funding norms and standards. Public schools will also benefit from slow, but steady real increases in compensation for teachers. The spurt in ECD allocations will also be supported by real increases in expenditures on transfers, while public FET colleges will have benefited from such transfers in the re-capitalisation programme. However, it does not appear that the proposed education MTEF buys human capital in the form of many new employees, and present allocations maintain, rather than expand the total number of employees' provincial education departments have on their books.²

Having examined real spending trends across categories of expenditure and service delivery programmes, we now turn to the size of education spending and allocations in the nine provincial education departments. Table 1 provides information on the size of the consolidated provincial education budget for the period 2004/05 to 2010/11.

Table 1: Provincial education budgets (R'000), 2004/05-2010/11

Province	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Eastern Cape	14,505,263	17,810,197	18,881,136	20,238,193	15.6	6.4	5.7
Free State	5,677,502	6,598,569	7,169,708	7,748,108	9.4	5.4	4.4
Gauteng	14,649,391	16,629,082	18,461,601	19,882,314	6.9	5.2	6.9
KwaZulu-Natal	19,003,096	21,389,127	23,914,043	26,420,070	6.0	6.1	6.8
Limpopo	12,025,666	14,221,050	15,925,244	17,341,802	11.4	7.4	4.8
Mpumalanga	8,118,307	8,934,232	9,739,439	10,676,178	3.6	4.1	8.4
Northern Cape	2,286,860	2,601,238	2,902,401	3,159,825	7.1	5.9	9.1
North West	6,096,036	6,995,482	7,995,239	8,842,782	8.1	7.6	4.2
Western Cape	7,822,732	9,019,913	10,013,961	10,864,296	8.6	6.0	5.8
Total	90,184,853	104,198,890	115,002,772	125,173,568	8.8	6.0	6.0

Source: Provincial Budget Statements 2, 2008

Note: Data for the 2007/08 to 2010/11 period are displayed for the ease of reading of the table, although the full period, namely 2004/05 to 2010/11, was used to calculate the six-year average in the final column.

Projected spending on provincial education in the last financial year is R90.2 billion, while allocations in the new financial year are R104.2 billion. This represents a real increase of 8.8 per cent. Between 2007/08 and 2010/11, consolidated provincial education allocations are projected to grow from R90.2 billion to R125.2 billion at a real average annual rate of 6 per cent. Over the period 2004/05 to 2010/11, provincial education spending is projected to grow from R64.7 billion to R125.2 billion at a real average annual rate of 6 per cent.

In the present financial year, KwaZulu-Natal has the largest allocation (R21.4 billion), while the Northern Cape has the smallest nominal allocation (R2.6

billion). The budget of the former is projected to grow by 6.1 per cent over the present MTEF, while that of the Northern Cape is projected to achieve a 5.9 per cent real average increase. The largest real average annual growth rate is projected for the Limpopo education department. This budget is projected to grow from R12 billion in 2007/08 to R17.3 billion in 2010/11 at a real average annual rate of 7.4 per cent. The smallest real average annual rate in provincial education budgets is recorded for Mpumalanga, which projects a 4.1 per cent real average annual rate over the present MTEF.

While a consideration of the absolute sizes of provincial education allocations is useful, we need to take their respective service delivery burdens (chiefly enrolment numbers) into account to arrive at an approximate equity picture. Table 2 provides information about three inequality measures that summarise trends in per capita spending for three years, 2004/05 to 2006/07.

Table 2: Summary of key inequality measures in provincial education departments, 2004/05, 2005/06 and 2006/07

	National per capita average (Rand)	Coefficient of variation	Average per capita spending of poor provinces as factor of national average	Average per capita spending of rich provinces as factor of national average
2004/05	4 930	0.09	1.01	1.10
2005/06	5 453	0.11	1.01	1.10
2006/07	5 995	0.14	1.01	0.97

Source: Provincial Budget Statements 2, 2008 and Education Statistics at a Glance 2005, 2006 and 2007

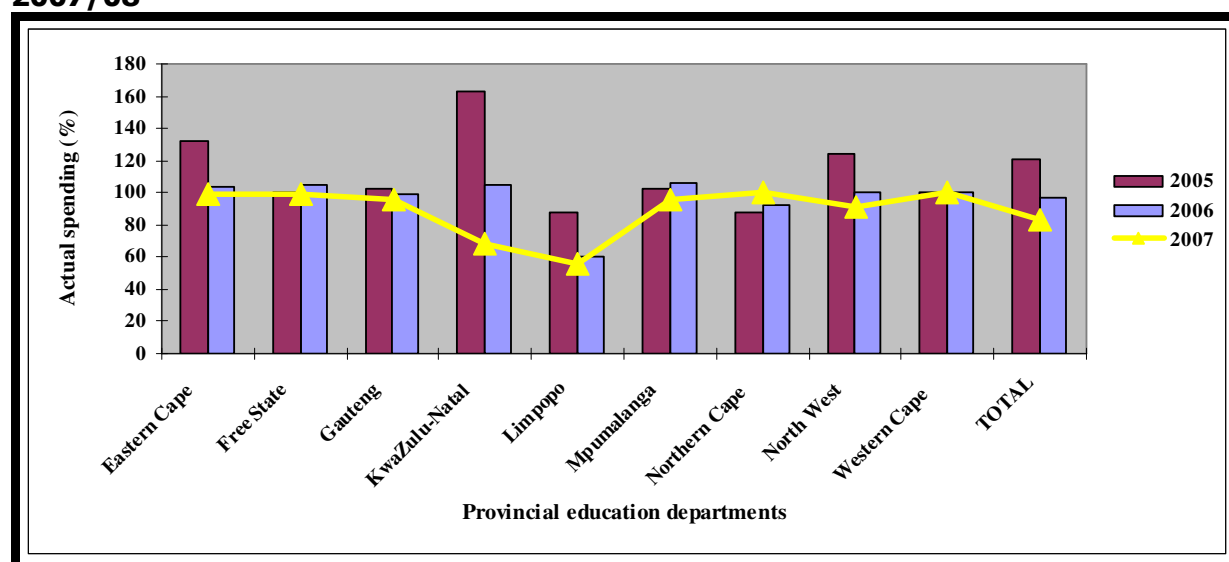
Note: The poor provinces chosen are the Eastern Cape, Free State, KwaZulu-Natal, Limpopo and Mpumalanga, while the rich provinces are Gauteng, the Northern Cape and the Western Cape

The national per capita spending in provincial education was approximately R6 000 in 2006/07. The provinces that were used to represent “poor” provinces achieved parity with the national per capita average of R6 000 in 2006/07, while rich provinces’ spending dipped three per cent below the national average. This situation is partly caused by the above-average per capita spending in the Free State (R7 231) and by the exceptional per capita spending of the North West (R8 114). Although the latter is not included in either of the rich and poor categories, its net impact has clearly been felt in the case of the traditionally richer provinces. Also, the Gauteng provincial education department continued to spend below the national average of R6 000 and registered a per capita level of R5 462 in 2006/07. Due to the larger-than-expected per capita spending for the North West, our statistical inequality measure, the coefficient of variation, shows increased but still relatively small per capita inequality levels in 2006/07.

Actual spending on conditional grants, 2005/06 to 2007/08

Figure 3 provides information on the actual spending of the life skills and HIV/AIDS grant in provincial education departments for the period 2005/06 to 2007/08.

Figure 3: Actual spending on the life skills and HIV/AIDS grant, 2005/06-2007/08



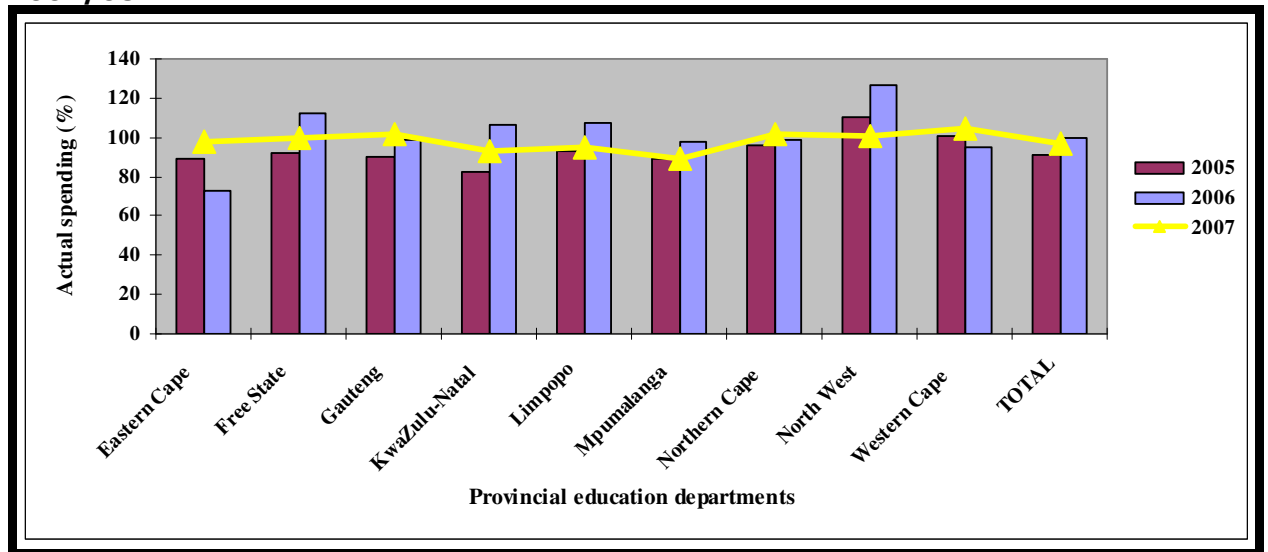
Source: Personal communication with the Department of Education, June 2008

In 2005/06, actual spending on the life skills and HIV/AIDS grant was R164.4 million, which was 20 per cent higher than the planned R136 million. The largest over-spending took place in KwaZulu-Natal (63%), while the Eastern Cape and the North West over-spent their budgets by 32 per cent and 24 per cent respectively. The only under-spenders were Limpopo and the Northern Cape, which spent 12 per cent less than their original allocations.

The most recent available figures for 2007/08 show that provinces managed to spend only 83 per cent of their original R166 million grant. Limpopo under-spent its allocation by 44 per cent (R17 million of R31 million), while KwaZulu-Natal under-spent its allocation by 32 per cent (R24 of R35 million). Most of the other provinces appeared to have spent their allocations, and the North West registers the highest under-spending of the remaining provinces (9 per cent under-spending).

Figure 4 provides information on the actual spending of the national school nutrition grant in provincial education departments for the period 2005/06 to 2007/08.

Figure 4: Actual spending on the national school nutrition grant, 2005/06-2007/08



Source: Personal communication with the Department of Education, June 2008

The national school nutrition grant was transferred from the health sector to the education sector in 2004. During that first year, provincial education departments had to make revisions to their targeting lists because health targeting and education targeting did not necessarily identify the same schools (see Wildeman and Mbebetho, 2005). In 2005/06, provinces managed to spend 91 per cent of their original allocations with the North West the only province to have over-spent its allocation. North West managed to spend 11 more than its allocation, while under-spending for the remaining provinces ranged from 18 per cent in KwaZulu-Natal to 4 per cent in the Northern Cape.

In 2007/08, provinces managed to spend 97 per cent of their original allocations. Small over-spending was recorded for the Western Cape (5%) and Gauteng (2%), while under-spending persisted in Mpumalanga and KwaZulu-Natal. Mpumalanga under-spent its allocation by 11 per cent, while the KwaZulu-Natal department under-spent by 7 per cent. The remaining provinces hovered close to a 100 per cent spending rate, which suggests that targeting lists have now been consolidated and provinces appear focused on the existing beneficiaries.

The third conditional grant, namely the public FET recapitalisation grant, is transferred from provincial education budgets directly to the FET institutions. As such, these allocations will be recorded as actual spending on the books of provincial education departments, and hence no actual spending figures are available from the institutional level.

Having examined the big provincial education picture, we now move to the analysis of detailed programme expenditure. This affords better traction on service delivery programmes and on inter-provincial input and equality trends.

SECTION 3: DETAILED PROGRAMME EXPENDITURE ANALYSIS

General

Table 3 provides information on the estimated spending and allocations to provincial education programmes over the medium term.

Table 3: Consolidated provincial education programmes (R'000), 2004/05-2010/11

Programme	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Administration	6,396,423	7,040,763	7,459,396	8,000,230	3.6	2.4	4.6
Public ordinary schools	74,663,637	85,754,458	95,272,209	102,804,159	8.1	5.7	5.5
Independent schools	449,472	515,335	565,034	605,490	8.0	5.0	7.6
Special needs schools	2,477,423	3,038,753	3,362,271	3,898,051	15.5	10.6	8.0
Further education and training	2,465,792	3,057,088	2,889,021	3,064,885	16.7	2.7	10.0
Adult basic education and training	914,626	1,034,328	1,128,918	1,198,928	6.5	4.0	9.1
Early childhood development	932,480	1,463,044	2,048,663	3,241,780	47.7	44.2	34.1
Auxiliary and associated services	1,885,000	2,295,121	2,277,261	2,360,046	14.6	2.8	5.5
Total	90,184,853	104,198,890	115,002,773	125,173,569	8.8	6.0	6.0

Source: Provincial Budget Statements 2, 2008

Note: Data for the 2007/08 to 2010/11 period are displayed to facilitate interpretation of the table, although the full period, namely 2004/05 to 2010/11, was used to calculate the six-year average in the final column.

Allocations for Public Ordinary Schools (POS) account for a large portion of the overall programmes budget, at about R74.7 billion in 2007/08. However, analysis shows that the POS budget – while steadily growing in the present MTEF – will increase at a rate (5.7%) slightly lower than the real average rate of change across all programmes between 2007/08 and 2010/11 (6.0%). In fact, over the MTEF, real increases in the budgets of most programmes will be lower than the average rate of annual change across all programmes, with the exception of ECD and ELSEN, showing distinct funding prioritisation in these programme areas. Prioritisation of the ECD programme relates to the policy mandate of universal access to Grade R by 2010. In the case of the

ELSEN programme, implementation of the inclusive education initiative has progressed, thus necessitating additional resources for this sector. Table 3 also shows that between 2007/08 and 2008/09 there has been a substantial increase in FET allocations, from about R2.5 billion to R3.1 billion, at a rate of 16.7 per cent change. Across all provincial education programmes, this rate of increase is only second to that for ECD, which is extremely high at 47.7 per cent. However, FET allocations are in fact set to decline nominally to about R2.9 billion in 2009/10.

In the section below, we analyse in more detail the key service delivery programmes. We use this space to make a few observations on provincial education programmes that are not involved in direct service delivery, or in the case of independent schools, which fall outside of public service delivery. Funding for Administration will increase nominally, from an allocation of about R6.4 billion in 2007/08 to R8.0 billion in 2010/11. However, real average annual change over the MTEF will be at a rate of 2.4 per cent: lower than both the real change between 2007/08 and 2008/09 (3.6%) and the overall rate of change in consolidated programme budgets between 2007/08 and 2010/11 (6.0%). This relatively low rate of increase suggests that Administration budgets are levelling-off in the medium-term.

A similar pattern is evident in the budget for Auxiliary and Associated Services, which increased at a high rate (14.6%) between 2007/08 and 2008/09. The average year-on-year increase will decline to 2.8 per cent over the medium-term, again signifying a levelling-off in this programme area. Although the content of this programme has not been completely standardised across provinces, one may assume that tougher procedures on the appointment of service providers is one possible reason for the slower rate of growth. The nominal Auxiliary and Associated Services allocation will also drop between 2008/09 and 2009/10, as shown in Table 3.

The budget for Independent Schools increased at a rate (8.0%) just below that of real change across programmes between 2007/08 and 2008/09 (8.8%), from about R449 million to R515 million. Real annual average change between 2004/05 and 2010/11 for Independent Schools is at 7.6 per cent: slightly higher than the average 6 per cent increase across all programmes. However, the rate of real change in allocations over the MTEF period will be lower than the increase between 2007/08 and 2008/09, falling to 5.0 per cent.

Public Ordinary Schools (POS)

Table 4 provides information on POS budgets by provincial education department for the period 2007/08 to 2010/11.

Table 4: POS budgets by province (R'000), 2004/05-2010/11

Province	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Eastern Cape	12,417,313	15,021,023	15,909,377	16,967,525	13.9	5.6	5.0
Free State	4,302,731	4,864,844	5,417,083	5,862,783	6.5	5.4	3.5
Gauteng	11,530,931	13,185,378	14,655,426	15,486,815	7.7	4.9	6.8
KwaZulu-Natal	16,344,330	18,184,148	20,631,781	22,557,139	4.8	5.8	6.2
Limpopo	10,233,641	12,090,967	13,624,891	14,695,569	11.3	7.3	5.2
Mpumalanga	6,714,194	7,227,282	7,909,874	8,616,060	1.4	3.3	7.5
Northern Cape	1,805,774	2,058,858	2,292,881	2,462,210	7.4	5.4	9.0
North West	5,033,520	5,854,226	6,735,431	7,367,956	9.5	7.9	3.7
Western Cape	6,281,203	7,267,732	8,095,465	8,788,102	9.0	6.3	5.2
Total	74,663,637	85,754,458	95,272,209	102,804,159	8.1	5.7	5.5

Source: Provincial Budget Statements 2, 2008

The overall budget for POS has increased consistently, although at an annual rate slightly lower than the average year-on-year real increase across all programmes. While the POS budget grew at a real average annual rate of 8.1 per cent between 2007/08 and 2008/09, with allocations increasing from about R74.7 billion to R85.8 billion, this rate will fall to about 5.7 per cent over the current MTEF.

Comparative analysis of the proposed budgets also shows notable differences in POS allocations across the nine provinces. Between 2007/08 and 2008/09, real expenditure on POS increased at a rate higher than the national average of 8.1 per cent in 4 provinces: the Eastern Cape (13.9%), Limpopo (11.3%), North West province (9.5%) and the Western Cape (9.0%). In contrast, real change in POS spending over the same period was well below the national average in KwaZulu-Natal (4.8%), and dramatically so in Mpumalanga (1.4%), where there appears to have been virtually no real change in the POS budget.

However, this is set to change somewhat over the medium-term: POS budgets in both KwaZulu-Natal and Mpumalanga are set to increase by a higher percentage between 2007/08 and 2010/11 (5.8% and 3.3% respectively), although this will still leave Mpumalanga below the average annual rate of change across provinces, at 5.7 per cent.

It is also interesting to note that with the exception of KwaZulu-Natal and Mpumalanga, where real annual change in POS budgets will increase over the

MTEF, allocations for all other provinces will increase at a lower rate of real annual change between 2007/08 and 2010/11 than the rate of increase between 2007/08 and 2008/09.

In Gauteng, KwaZulu-Natal, Mpumalanga and the Northern Cape, rates of real average annual change over the MTEF are lower than average rates between 2004/05 and 2010/11, indicating that POS budgets increased more significantly prior to 2007/08 than they will in the medium-term.

Across all provinces, POS budgets will have increased by the highest average annual rates in the Northern Cape (9.0%) and Mpumalanga (7.5%) between 2004/05 and 2010/11, but will increase most significantly in the North West (7.9%) and Limpopo (7.3%) over the current MTEF.

Table 5: Per learning spending on POS as a factor of the national per learner average (rands), 2005/06, 2006/07 and 2007/08

Province	2005	Factor of national average	2006	Factor of national average	2007	Factor of national average
Eastern Cape	4,593	0.91	5,387	0.97	5,901	0.95
Free State	5,727	1.13	6,184	1.11	6,470	1.04
Gauteng	5,160	1.02	5,327	0.96	6,740	1.09
KwaZulu-Natal	4,869	0.96	5,202	0.94	5,850	0.94
Limpopo	4,575	0.90	5,711	1.03	5,859	0.94
Mpumalanga	5,470	1.08	4,886	0.88	6,280	1.01
Northern Cape	5,961	1.17	5,008	0.90	6,897	1.11
North West	6,167	1.22	7,488	1.35	6,776	1.09
Western Cape	5,616	1.11	5,899	1.06	6,632	1.07
National	5,075	1.00	5,549	1.00	6,201	1.00

Source: Provincial Budget Statements 2, 2008 and Education Statistics at a Glance 2005, 2006 and 2007

Per learner expenditure on POS as a factor of the national average is also a useful indicator of comparative differences between provinces. As shown in Table 5, in 2005/06 the national average spend per learner on POS was R5 075, and this increased to R5 549 in 2006/07 and R6 201 in 2007/08. Overall, between 2005/06 and 2007/08, per learner spending on POS has been generally below the national average in the provinces of the Eastern Cape, KwaZulu-Natal and Limpopo. In comparison, it has generally remained higher than average in the North West, Western Cape and Free State.

A comparison of the provinces shows that in 2005/06, per learner spending on POS as a factor of the national average was lowest in Limpopo (0.90) and the Eastern Cape (0.91), and highest in the North West (1.22) and the Northern Cape (1.17). The Free State (1.13), Western Cape (1.11) and Mpumalanga (1.08) had higher-than-average per learner spending, while spending in Gauteng (1.02) and KwaZulu-Natal (0.96) were fairly close to the national average.

Between 2005/06 and 2007/08, per learner spending on POS has remained below the national average in the Eastern Cape and KwaZulu-Natal. It has also remained low in Limpopo, although reaching slightly higher levels in 2006/07 than in either 2005/06 or 2007/08. Comparatively, per learner spending on POS has remained highest in the North West province, as well as in the Northern Cape, although there levels fell below average in 2006/07. This dip in per capita spending in 2006/07 also occurred dramatically in Mpumalanga, and to a lesser extent in Gauteng, before increasing again by 2007/08. Per learner spending on POS has remained consistently above the national average in the Free State and the Western Cape.

The drop in average per capita spending on POS as a factor of the national average in 2006/07, evident in several provinces, is also reflected in the inequality measures shown in Table 6 below.

Table 6: Key inequality measures in provincial POS budgets, 2005/06, 2006/07 and 2007/08

Financial Year	National per capita average	Coefficient of variation	Average per capita spending of poor provinces as a factor of national average	Average per capita spending of rich provinces as a factor of national average
2005/06	5 075	0.10	0.99	1.10
2006/07	5 549	0.13	0.99	0.98
2007/08	6 201	0.06	0.98	1.09

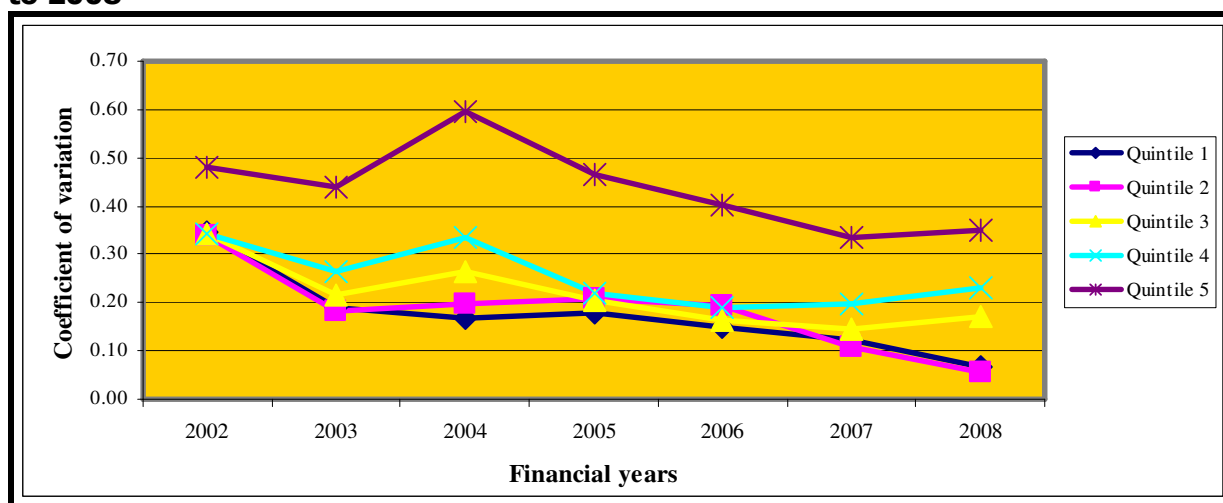
Source: Provincial Budget Statements 2, 2008 and Education Statistics at a Glance 2005, 2006 and 2007

Note: The poor provinces chosen are the Eastern Cape, Free State, KwaZulu-Natal, Limpopo and Mpumalanga, while the rich provinces are Gauteng, the Northern Cape and the Western Cape

While national per capita average spend on POS increased consistently between 2005/06 and 2007/08, average per capita spending has remained just below the national average in poor provinces. However, average per learner spending among traditionally rich provinces dropped significantly, from well above the national average in 2005/06 (1.10) to slightly below average in 2006/07 (0.98), before recovering to near-previous levels in 2007/08 (1.09). The dip in the average per capita levels in rich provinces in 2006 is directly attributable to the low per capita spending in Gauteng.

Allocations to the school funding norms policy are vital indicators of the extent to which provinces have been able to overcome inter-provincial inequality. We observe that these allocations are non-personnel recurrent and non-capital expenditures and constitute approximately 8 per cent of POS spending. Figure 5 plots inequality levels across quintiles for seven provincial education departments for the period from 2002 to 2008.

Figure 5: Inequalities in the per learner allocations of school funding among provincial education departments for all the poverty quintiles, 2002 to 2008



Source: Wildeman, 2008 (page 35)

Note: Seven provincial education departments were used to calculate inequality measures for each of the years between 2002 and 2008. The contributions of the North West and Mpumalanga were excluded because these allocations were not comparable to that of the other provinces.

The most consistent and strongest reductions in inequality took place in the poorest poverty quintile (quintile 1), while the least reduction in unequal allocations among provinces took place in the least poor quintile (quintile 5). Prior to the new school financing policy introduced in 2007, quintile 4 allocations were becoming less variable, to the point where they approached the same inequality levels as quintile 3. However, the implementation of the new financing policy in 2007 meant more resources for the poorest quintiles, and if we add the effects of the displacement of poor schools to the less poor quintiles, then the highly variable allocations for this quintile since 2007 are comprehensible. By 2008, variability in the allocations to quintile 4 is approximately four times higher than the corresponding ratios for quintiles 1 and 2. Likewise for quintile 5 allocations, variability in these allocations are five times higher than the corresponding ratios for quintiles 1 and 2. It is also two times worse than the corresponding levels in quintile 3.³

An extremely important observation that we can take from Figure 5 is that inequality levels in the two poorest quintiles are now on par with inequality levels in public school budgets as a whole. Thus, the latest instalment of school financing reform has forced a closer alignment between provinces' investment in non-personnel recurrent expenditures and public school expenditures as a whole.

Special needs education (ELSEN)

Table 7 provides information about ELSEN budgets for the period 2004/05 to 2010/11.

Table 7: ELSEN budgets (R'000) by provincial education department, 2004/05-2010/11

Province	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Eastern Cape	305,222	493,013	564,564	591,402	52.1	20.5	16.2
Free State	179,345	218,755	235,064	248,955	14.9	6.2	5.5
Gauteng	709,353	822,411	903,380	1,041,913	9.2	8.0	6.0
KwaZulu-Natal	385,137	469,166	523,653	720,422	14.7	17.5	13.4
Limpopo	164,072	174,335	185,562	196,435	0.1	0.9	1.8
Mpumalanga	121,360	158,051	168,827	191,509	22.6	11.0	10.6
Northern Cape	63,536	64,725	73,301	93,399	-4.1	8.6	7.3
North West	125,552	137,708	158,066	211,131	3.3	13.5	10.6
Western Cape	423,846	500,589	549,854	602,885	11.2	6.9	4.2
Total	2,477,423	3,038,753	3,362,271	3,898,051	15.5	10.6	8.0

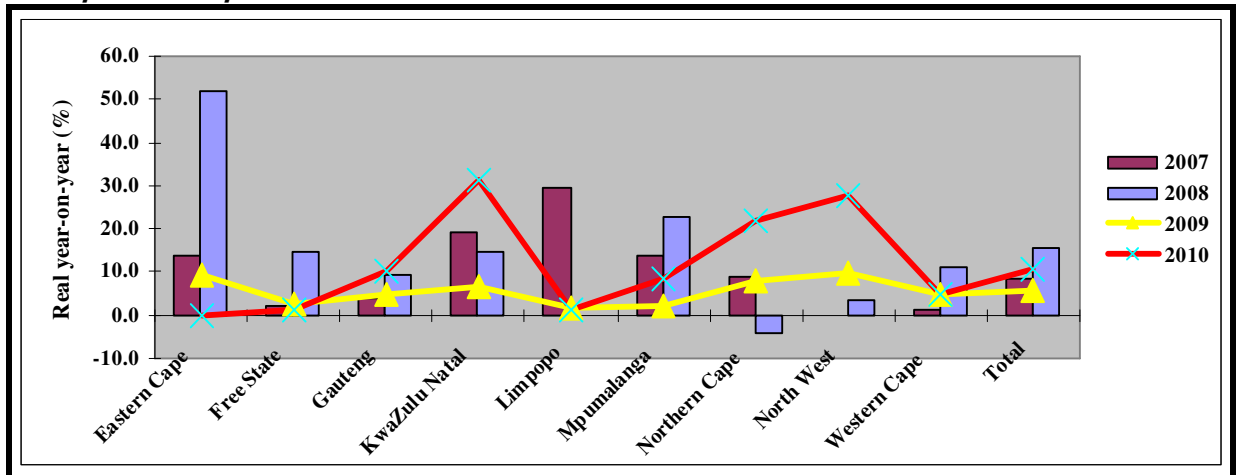
Source: Provincial Budget Statements 2, 2008

Expenditure on ELSEN budgets is projected to grow from R2.5 billion in 2007/08 to R3.9 billion in 2010/11 at a real average annual rate of 10.6 per cent. Expenditure on ELSEN is R3 billion in the present financial year, which represents a real growth rate of 15.5 per cent from the last financial year.

Gauteng has the largest budget in 2008/09 (R822 million) and this budget is projected to grow to just more than R1 billion in 2010/11 at a real average rate of 8 per cent over the MTEF. Limpopo sets aside R174 million in 2008/09 and this budget is projected to grow to R196 million in 2010/11 at a real average annual rate of 0.9 per cent. This is the smallest real average annual growth rate over the period, while predictably, the Northern Cape has the smallest nominal allocation in 2008/09 (R64.7 million). The Northern Cape budget grows from R63.5 million in 2007/08 to R93.4 million in 2010/11 at a real average annual rate of 8.6 per cent.

Figure 6 provides information on the real annual growth rates of provincial ELSEN budgets for the period 2006/07 to 2010/11.

Figure 6: Real year-on-year growth of ELSEN budgets by province, 2006/07-2010/11



Source: Provincial Budget Statements 2, 2008

Although Figure 4 does not include visual reference to consolidated provincial education growth, total ELSEN growth rates are consistently higher than overall education growth over the 2006/07 to 2010/11 period. This is different from previous years' spending, in which ELSEN budgets were at the bottom of the funding priority stakes. Figure 4 indicates that growth rates in 2007/08 were 8.4 per cent in real terms, while successive years project 15.5 per cent, 5.6 per cent, and 10.7 per cent real growth rates respectively.

The Eastern Cape has the largest real increase in 2008/09 (52%), while the smallest positive gain is made in Limpopo (0.1%). Only the Northern Cape projects a real negative decline on its allocation in 2008/09 (4.1%). By the end of the MTEF, the North West and KwaZulu-Natal provinces project to increase their ELSEN allocations by 28 per cent and 31 per cent respectively. Limpopo projects a small positive gain of 1.1 percent, but the smallest real gain is projected for the Eastern Cape (0.1%). Whereas the Northern Cape projected a negative decline on their allocations in 2008/09, at the end of the present MTEF, the projected increase on its allocation is 22 per cent.

Table 8 provides information on three summary inequality measures that summarise trends in per capita spending for three years, namely from 2004/05 to 2006/07.

Table 8: Key inequality measures in provincial ELSEN budgets, 2004/05, 2005/06 and 2006/07

Financial Year	National per capita average	Coefficient of variation	Average per capita spending of poor provinces as a factor of national average	Average per capita spending of rich provinces as a factor of national average
2004/05	20,870	0.18	1.18	1.13
2005/06	21,992	0.23	1.13	1.20
2006/07	24,712	0.25	1.17	1.14

Source: Provincial Budget Statements 2, 2008 and Education Statistics at a Glance 2005, 2006 and 2007

Nationally, nominal per capita spending grew from about R20 900 in 2004/05 to R24 700 in 2006/07. Such spending rates are almost four times the average in public schools and indicate the expensive nature of the ELSEN programme. Unlike overall education spending and spending in public schools, per capita spending in ELSEN budgets is characterised by large spending differences. Our inequality measure indicates that this spending gap has been growing since 2004/05, and at the end of 2006/07 such inequality levels actually rose by nearly 40 per cent. This suggests that input inequality levels in government spending are four times higher in ELSEN budgets than in POS budgets. Traditionally rich and poor provinces do not appear to spend dissimilar amounts, even though the spending advantage appears to switch from poor to rich provinces and then back to poor provinces during this three-year period.

Public further education and training (FET) colleges

Table 9 provides information on public FET college budgets by provincial education department for the period 2007/08 to 2010/11.

Table 9: Public FET colleges' budgets (R'000) by provincial education department, 2004/05-2010/11

Province	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Eastern Cape	266,534	428,460	335,719	395,817	51.4	12.9	11.9
Free State	187,938	206,263	223,369	236,390	3.3	2.6	4.9
Gauteng	600,303	687,182	721,941	734,897	7.8	1.8	10.2
KwaZulu-Natal	494,537	701,086	540,715	559,893	33.5	2.0	13.1
Limpopo	254,214	296,040	307,606	325,247	9.7	3.3	10.8
Mpumalanga	192,347	215,935	216,598	241,055	5.7	2.6	10.8
Northern Cape	43,307	42,063	36,165	36,532	-8.5	-10.0	-0.4
North West	116,975	153,201	161,267	171,607	23.3	8.5	14.6
Western Cape	309,637	326,858	345,641	363,447	-0.6	0.2	11.1
Total	2,465,792	3,057,088	2,889,021	3,064,885	16.7	2.7	10.0

Source: Provincial Budget Statements 2, 2008

Public FET college budgets increased substantially between 2007/08 and 2008/09 across the provinces, from a nominal allocation of about R2.5 billion to about R3.1 billion, reflecting a real rate of change of 16.7 per cent. Allocation figures suggest, however, that this rate of change will not be maintained over the current MTEF, dropping to only 2.7 per cent. The rate of real annual change between 2004/05 and 2010/11 overall is higher at 10.0 per cent, suggesting that major increases in FET college funding have already occurred, and allocations are now beginning to increase at a far lower rate in real terms. The phasing-out of the public FET college re-capitalisation grant explains the slower rate of growth over the medium term.

As shown in Table 9, between 2007/08 and 2008/09, there was an enormous budgetary increase in FET allocations in the Eastern Cape, at a rate of 51.4 per cent. Increases were also significant in KwaZulu-Natal (33.5%) and the North West province (23.3%). As a result, real average change in FET budgets between 2004/05 and 2010/11 was highest in these three provinces. This is despite significant projected drops in the year-on-year average increases over the MTEF in the Eastern Cape (12.9%), KwaZulu-Natal (2.0%) and the North West (8.5%).

However, average increases in FET funding between 2004/05 and 2010/11 were also generally high in the Western Cape (11.1%), Limpopo (10.8%), Mpumalanga (10.8%), and Gauteng (10.2%). In respect of all seven of these provinces, overall growth in FET budgets over this period was fairly

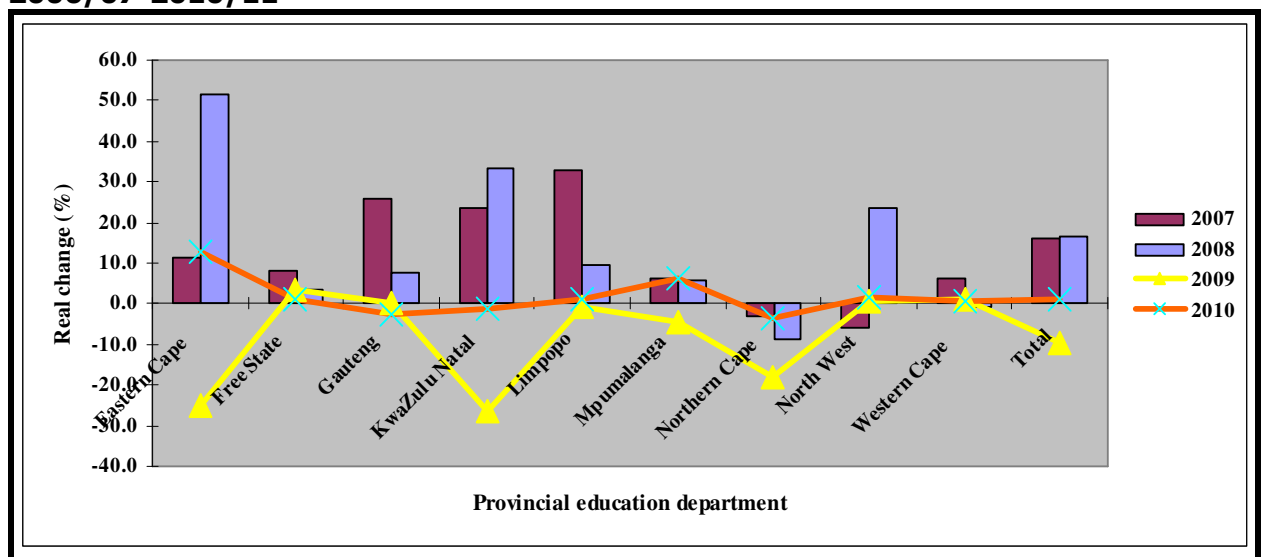
consistent, at rates between 10.2 per cent and 14.6 per cent. Real increases in funding for FET colleges have therefore levelled out between these provinces.

Budgetary trends are significantly different in the Free State, however, where real annual change between 2007/08 and 2008/09 was only 3.3 per cent, and will drop in the medium-term to an average of 2.6 per cent between 2007/08 and 2010/11. At 4.9 per cent real average annual change between 2004/05 and 2010/11, the rate of increased spending on FET colleges in the Free State is significantly lower than in most other provinces.

In the Northern Cape, funding for public FET colleges in fact decreased nominally between 2007/08 and 2008/09, from R43.3 million to about R42.1 million, at a real negative rate of change of 8.5 per cent. Real average change between 2007/08 and 2010/11 is also set to decline to a rate of 10.0 per cent. Real change over the period between 2004/05 in the Northern Cape has also been negative, at an average annual rate of 0.4 per cent.

Figure 7 further illustrates provincial trends in FET budgets over the medium-term, between 2006/07 and 2010/11.

Figure 7: Real year-on-year growth of public FET colleges' budgets, 2006/07-2010/11



Source: Provincial Budget Statements 2, 2008

Notably, in most provinces real year-on-year growth in FET budgets will decline consistently between 2007 and 2009. The exceptions to this trend, as discussed above, have been in significant real increases in the Eastern Cape, KwaZulu-Natal and the North West province between 2007 and 2008, though allocations in these provinces will also begin to decline between 2008 and 2009. Real change in FET budgets will remain fairly constant between 2009-2010 in the Free State, Gauteng, Limpopo, North West and the Western

Cape, but will increase once again in the Eastern Cape, KwaZulu-Natal, Mpumalanga and the Northern Cape over this period.

Table 10 provides information on three summary inequality measures that summarise trends in per capita spending for three years, namely from 2004/05 to 2006/07.

Table 10: Key inequality measures in public FET budgets, 2004/05, 2005/06 and 2006/07

Financial Year	National per capita average	Coefficient of variation	Average per capita spending of poor provinces as a factor of national average	Average per capita spending of rich provinces as a factor of national average
2004/05	3,350	0.33	1.34	0.82
2005/06	3,847	0.36	1.37	1.13
2006/07	5,469	0.32	1.35	0.93

Source: Provincial Budget Statements 2, 2008 and Education Statistics at a Glance 2004, 2005 and 2006

We are fully aware that the headcount data do not present an accurate picture of public FET spending and that full-time equivalents would have provided a clearer picture. However, the latter are much harder to obtain, hence our use of headcount enrolment data. Table 10 indicates that that between 2004/05 and 2006/07, per capita average spending on public FET increased consistently, from R3 350 to R5 469. However, such increases were not uniform across provinces as indicated by our inequality measure, the coefficient of variation. Allocations to public FET colleges were three times more variable than corresponding figures in public schools budgets in 2004/05, while allocation patterns in successive years maintained this unfavourable ratio. Poor provinces outspent traditionally rich provinces and were able to achieve spending gains on the national average that ranged between 34 per cent and 37 per cent. The Gauteng education department is once again the main culprit in under-spending because in 2006/07, it spent 33 per cent less than the national per capita average on each of its FET college learners.

Adult basic education and training budgets (ABET)

Table 11 provides information on provincial ABET budgets for the period 2004/05 to 2010/11.

Table 11: ABET budgets (R'000) by provincial education department, 2004/05-2010/11

Province	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Eastern Cape	149,215	152,180	159,277	167,191	-4.0	-1.3	-0.3
Free State	70,958	95,850	102,741	108,841	27.2	10.2	15.7
Gauteng	223,052	254,602	294,593	307,488	7.5	5.9	8.6
KwaZulu-Natal	108,448	116,004	125,388	135,963	0.7	2.5	15.5
Limpopo	118,400	125,360	132,676	140,366	-0.3	0.6	25.2
Mpumalanga	87,476	124,598	140,778	153,924	34.1	15.5	14.2
Northern Cape	32,250	27,775	29,164	30,914	-18.9	-5.8	3.4
North West	98,771	110,170	114,868	123,330	5.0	2.4	13.3
Western Cape	26,056	27,789	29,433	30,911	0.4	0.6	1.2
Total	914,626	1,034,328	1,128,918	1,198,928	6.5	4.0	9.1

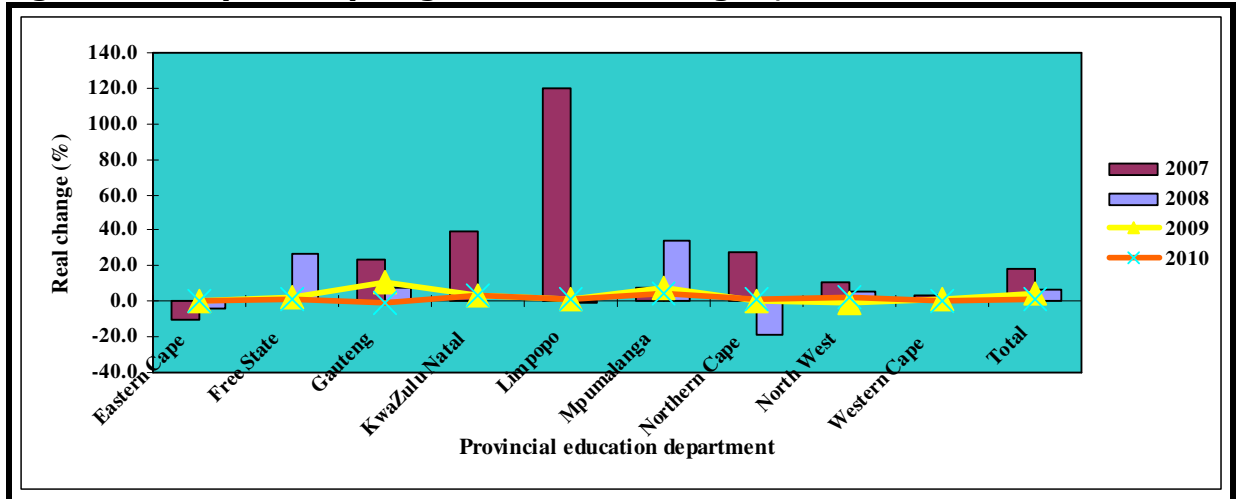
Source: Provincial Budget Statements 2, 2008

Expenditure on ABET is projected to grow from R915 million in 2007/08 to R1.2 billion in 2010/11 at a real average annual rate of 4 per cent. Expenditure on ABET in 2008/09 is R1 billion, which represents a 6.5 per cent increase from the previous financial year. Over the six-year period, these budgets are projected to grow at a real average annual rate of 9.1 per cent.

The largest ABET allocation in 2008/09 is in Gauteng (R255 million), while the Northern Cape and Western Cape have the lowest allocations at R28 million respectively. The smallest positive real average gain over the medium term is projected for Limpopo and the Western Cape, at a rate of 0.6 per cent. Two provincial education departments project real negative declines over the present MTEF, namely the Eastern Cape (1.3%) and the Northern Cape (5.8 %). By the end of the present MTEF, Gauteng is projected to allocate the largest sum of resources (R307 million), while the Western Cape is projected to allocate the least to ABET (R31 million). Gauteng spends ten times more than the Western Cape on ABET, thus highlighting the weak spending and allocation on this programme for the latter province. This is a long standing trend that is continued in the latest provincial education MTEF.

Figure 8 provides information on the real annual growth rates of ABET budgets over the period 2006/07 to 2010/11.

Figure 8: Real year-on-year growth of ABET budgets, 2006/07-2010/11



Source: Provincial Budget Statements 2, 2008

One of the salient features of ABET budgets over the last few years has been their lack of predictability. In a 2006 Idasa education review (Wildeman, 2006), we made the point that these budgets appear as if they are the leftovers from a provincial allocation process that had to consider other priorities first. The present set of numbers for this programme does not change this view in any meaningful manner. Two examples will suffice to make this point. In the Free State, ABET budgets are projected to grow by 27.2 per cent in 2008/09, but thereafter, by only 2.3 per cent (2009/10) and 1.2 per cent (2010/11). Similarly, in the Northern Cape, real change in 2007/08 was 28 per cent, whereas in the present financial year, a real decline of 18.9 per cent is projected.

The largest positive change (34.1%) is projected for Mpumalanga in 2008/09, while the smallest real positive gain (0.4%) is projected for the Western Cape. The Northern Cape projects the largest real decline in 2008/09 (18.9%), while the Eastern Cape budget is projected to decline in real terms by 4 per cent in the same year. By the end of the present education MTEF, most provincial education departments project very small positive gains, ranging from 0.3 per cent in the Western Cape to 4.4 per cent in Mpumalanga. Gauteng is the only province that projects a small real decline in 2010/11 (0.3%).

Table 12 provides information on three summary inequality measures that present trends in per capita spending for three years, namely, 2004/05 to 2006/07.

Table 12: Key inequality measures in public adult education and training budgets, 2004/05, 2005/06 and 2006/07

Financial Year	National per capita average	Coefficient of variation	Average per capita spending of poor provinces as a factor of national average	Average per capita spending of rich provinces as a factor of national average
2004/05	1,965	0.58	1.47	1.15
2005/06	2,637	0.56	1.41	0.84
2006/07	2,853	0.47	1.21	0.90

Source: Provincial Budget Statements 2, 2008 and Education Statistics at a Glance 2004, 2005 and 2006

Nationally, the ABET programme spent R2 000 on average on learners enrolled at adult public centres in 2004/05. By 2006/07, this average allocation rose to R2 900, which represents approximately 50 per cent of the corresponding per capita spending in POS. Unlike POS budgets, patterns of official government investment are vastly different in the ABET programme. Poor provinces spent approximately 47 per cent more than the national average in 2004/05, while this advantage was whittled down to 21 per cent in 2006/07. In 2006/07, the traditionally rich provinces spent 10 per cent less than the national average, which represented an improvement from the 16 per cent below the national average in 2005/06.

As can be expected, there is great variation among provincial education departments in the average allocation spent on adult learners. This is reflected in the highest inter-programme coefficient of variation figures. In 2004/05, levels of inequality stood at 0.58, and although these levels were reduced to 0.47 in 2006/07, this is still high in relation to inequality levels in other provincial service delivery programmes. Levels of inequality in provincial ABET budgets were almost six times higher than inequality levels in POS budgets in 2004/05. In 2006/07, inequality levels in ABET budgets were 33 per cent higher than similar levels in the public FET college budgets.

Early childhood development (ECD)

Table 13 provides information about ECD budgets for the period 2004/05 to 2010/11.

Table 13: ECD budgets (R'000) by provincial education department, 2004/05-2010/11

Province	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Eastern Cape	91,513	274,397	395,539	539,922	182.3	83.4	58.2
Free State	56,338	70,324	77,337	81,727	17.5	7.8	13.1
Gauteng	152,739	214,571	310,146	583,746	32.3	50.0	67.9
KwaZulu-Natal	167,736	208,234	336,202	608,363	16.9	47.9	38.1
Limpopo	63,935	155,759	228,615	445,775	129.4	85.2	61.7
Mpumalanga	64,211	91,551	143,375	243,195	34.3	48.6	33.7
Northern Cape	24,692	57,251	73,350	115,264	118.3	63.6	41.9
North West	146,512	164,165	210,088	302,866	5.5	21.8	11.9
Western Cape	164,804	226,792	274,011	320,922	29.6	18.9	26.9
Total	932,480	1,463,044	2,048,663	3,241,780	47.7	44.2	34.1

Source: Provincial Budget Statements 2, 2008

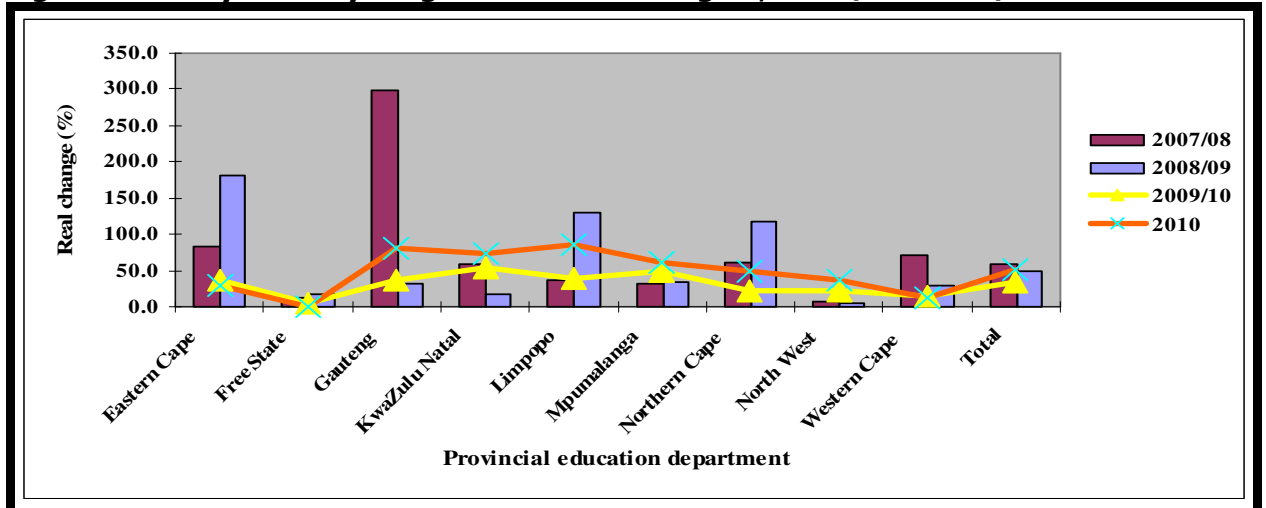
Expenditure on ECD budgets is projected to grow from R932 million in 2007/08 to R3.2 billion in 2010/11 at a real average annual rate of 44.2 per cent. In 2008/09, allocations to ECD budgets are R1.5 billion, which represent a real growth of 48 per cent from the previous financial year. Overall, between 2004/05 and 2010/11, ECD budgets are projected to grow at a real average annual rate of 34.1 per cent. Although it can be argued that such growth takes place from a relatively small expenditure base, it nonetheless represents provinces' attempts to give expression to their mandate of delivering universal access to Grade R by 2010. Because our review is an input review, it cannot answer questions such as whether this scramble will result in quality Grade R for the poor. Elsewhere, we have argued that these allocations are neither adequate, nor is there any evidence that such allocations will buy quality Grade R provisioning (Wildeman and Nomdo, 2004).

The Eastern Cape has the largest nominal ECD budget in 2008/09 (R274 million), while the Western Cape (R227 million) and Gauteng (R215 million) follow closely. Notable is the relatively small size of the ECD budget in the Free State (R70 million), while the Northern Cape (R57 million) and Mpumalanga (R92 million) join the list of sub-R100 million spenders in 2008/09. The size of the Free State budget is surprising, seeing that the province is one of the forerunners in the introduction of Pre-Grade R education in South Africa. Limpopo and the Eastern Cape project the largest real average annual rates over the medium term at 85.2 per cent and 83.4

per cent respectively. The smallest positive real average gain over the medium term is 7.8 per cent (Free State), which is also the only province that projects a sub-10 per cent real average annual growth rate.

Figure 9 provides information on the real annual growth rates of ECD budgets over the period 2006/07 to 2010/11.

Figure 9: Real year-on-year growth of ECD budgets, 2006/07-2010/11



Source: Provincial Budget Statements 2, 2008

Expenditure on ECD is projected to grow massively over the medium term period in response to the policy mandate of providing universal Grade R access by 2010. In the present MTEF, it is the fastest growing education programme, irrespective of the fact that it is growing off a relatively small funding base. In 2007/08, expenditure on ECD grew by 59 per cent, while over the medium-term, it projects growth rates of 48 per cent, 34 per cent, and 51 per cent respectively.

The largest growth rate in 2008/09 is projected for the Eastern Cape education department (182%), while Limpopo (129%) and Northern Cape (118%) are not far behind. The smallest positive real gain in 2008/09 is recorded for the North West (6%), while KwaZulu-Natal records the second smallest real gain during the same year (17%). By the end of the present MTEF, Limpopo projects the largest positive gain (86%), while Gauteng (80%) and KwaZulu-Natal (73%) occupy the second and third largest real gains respectively. The smallest gain is projected for the Free State (1%), which is also the only province that did not break through the 20 per cent growth barrier across the three years of the MTEF.

Enrolment data for the ECD sector are not as clear-cut as some of the other service delivery programmes. Official learner data on ECD are complicated and this precluded us from developing single per capita measures and summarising the extent of inequality in these expenditures. At present, the Department of Education provides enrolment data through its *Education at a Glance* publications, but because it provides two enrolment data sets for ECD,

we have decided to use both in the per capita calculations. However, there are still problems of interpretation:

- It is not clear whether the data on “stand-alone” ECD centres include both public and private providers. If this is the case, then the per capita numbers are biased because we have only taken into account spending and allocations as recorded on provinces’ public ECD programmes.
- Data on the Grade R and Pre-Grade R classes at public schools do not make provision for stand-alone publicly-supported ECD centres, nor for community-based centres that are supported by the government. Thus, these numbers also underestimate the actual funding and service delivery burden of the government and should be considered as biased indicators of the government’s per capita spending.

Given these formidable problems, the information that is provided in Table 14 neatly illustrates the data problems, and no strong conclusions should be drawn from the per capita numbers presented below.

Table 14: Per capita spending on stand-alone ECD centres and per capita spending on Grade R and Pre-Grade R at public schools by province, 2004/05-2006/07 (rands)

Province	2004		2005		2006	
	Stand-alone ECD centres	Pre-Grade R and Grade R at POS	Stand-alone ECD centres	Pre-Grade R and Grade R at POS	Stand-alone ECD centres	Pre-Grade R and Grade R at POS
Eastern Cape	2,077	459	2,691	338	3,952	476
Free State	1,397	1,851	798	1,792	4,059	2,245
Gauteng	2,827	1,607	1,184	1,095	969	806
KwaZulu-Natal	3,145	1,086	2,437	765	4,347	1,007
Limpopo	966	261	343	222	1,429	477
Mpumalanga	2,187	1,505	2,768	2,909	5,065	1,145
Northern Cape	2,639	2,132	2,780	1,912	1,332	1,701
North West	3,606	21,895	6,899	11,848	8,865	9,352
Western Cape	2,046	1,835	2,390	2,263	3,009	2,632
National	2,357	1,244	1,782	1,061	3,091	1,225

Source: Provincial Budget Statements 2, 2008 and Education Statistics at a Glance, 2004 to 2006

The only useful thing that we can say about these numbers is that irrespective of if we use stand-alone ECD centres or enrolment at public schools, allocations are radically heterogeneous across years and provinces. Using enrolment at public schools as a proxy for government’s service delivery burden in the sector, we note that the allocation for the North West dipped from approximately R21 900 in 2004/05 to R11 900 in 2005/06. The numbers for the North West seem far-fetched and although this province has inherited components of a functional ECD system, these numbers are unlikely to represent service outlays in that province. In 2006/07, that province’s per capita allocation shrunk further to R9 400. If we use the stand-alone data on

the other hand, we observe that the allocation in the Free State was reduced from R1 400 in 2004/05 to R800 in the next financial year. In 2006/07, the Free State's per capita allocation rose again to just over R4 000, making it impossible to know with any certainty whether more funding was committed, or large numbers of learners excluded from the official counting process. The absence of reliable official ECD numbers is frustrating, especially as we are interested in understanding how the extension of existing ECD services impacted on the per capita spending in provinces.

SECTION 4: CONCLUDING REMARKS

The latest instalment of the provincial education MTEF has not fundamentally changed existing funding patterns, but appears to be focused in supporting the implementation of ongoing policy commitments.

Firstly, the expenditure framework that became common parlance after 2000 has been retained and consolidated in some areas. This means that personnel expenditure has been allowed to grow at rates below consolidated provincial education spending. In this regard, we note that consolidated provincial education expenditure is projected to grow from R90.2 billion in 2007/08 to R125 billion in 2010/11 at a real average annual rate of 6 per cent. Personnel expenditure is projected to grow by 4.3 per cent over the same period, thus reinforcing the view that wages and related costs continue to make possible the expansion of other expenditures and activities. Goods and services are projected to grow from R9.7 billion to R16.2 billion at a real average annual rate of 13 per cent, which is double the average annual growth of the entire education budget. Likewise, spending on transfers and capital expenditures show the same trends over the medium term and confirm the strong position of non-personnel expenditures in the post-2000 period. While these shifts continue to happen, we have raised the concern that in spite of these transformations, service delivery in public schools more specifically, has not yet been sufficiently transformed to justify the belief in the unrestrained expansion of these expenditures.

Secondly, it is important to understand that the containment of personnel expenditures happens across all programmes, and therefore the benefits of growth are more likely to go to direct programme activities. At a programme level, the most obvious winners were the ECD and ELSEN programmes. Although both these programmes are dwarfed by the sheer size of the POS programme, increases to their base funding supports ongoing policy implementation. Expenditure on ECD is projected to increase from R932 million in 2007/08 to R3.2 billion in 2010/11 at a real average annual rate of 44.2 per cent. The bulk of these resources are aimed at expanding the number of Grade R sites attached to public schools as well as targeted support of private community-based ECD centres. These resources are transferred as direct grants to school governing bodies, which then use these

resources to make independent decisions about the provision of Grade R at public schools.

Expenditure on the ELSEN programme is projected to grow from approximately R2.5 billion in 2007/08 to R3.9 billion in 2010/11 at a real average annual rate of 11 per cent. It is notable that this average growth over the medium term surpasses the corresponding consolidated provincial education growth, which in itself deviates from previous years' funding patterns. The implementation of the inclusive education initiative has gained momentum after the initial delays in the field tests. The Department of Education and provinces did not see eye to eye on the sites that needed to be chosen for the field tests and protracted infrastructure tender processes also led to further delays in implementation. The field tests were intended to test and develop the model of "full-service" schools, i.e. schools that cater for learners with a variety of intellectual and learning needs. We believe that spending on the ELSEN programme should have accelerated even more, but there are no signs of the introduction of a conditional grant, which was intended to support institutions obtaining assistive devices and smoothing over the initial period of policy change.

The implementation of the new school financing policy in 2007 has meant increased resources for the POS sector. So while wages were constrained in this sector, additional spending benefits in the form of transfers to section 21 schools as well as managed allocations to non-section 21 schools continue to boost the importance of this sector. In terms of the actual school budget, one is able to indirectly trace allocations to schools by examining the goods and services category in the public school budgets, while transfers to non-profit institutions partly capture allocations to section 21 schools. The goods and services category are projected to grow by 13 per cent over the medium term, while the transfer to non-profit institutions are projected to register an increase of approximately 8 per cent over the same period.

Thirdly, inequalities at the programme level continue to reflect the relative funding and implementation attention given to particular programmes. The lowest form of inter-provincial input inequality is found in the POS programme. Using our inequality measure, the coefficient of variation, we note that this measure approached the 0.06 level in 2007, indicating near equality in the per capita inputs across provincial education departments. It is important to understand that this number merely captures present levels of per capita investment in each of the nine provinces, but does not reflect on the extent of historical disadvantage, backlogs or migration patterns and changing service delivery burdens. Against the relatively low level of official input inequality in public schools, one can use corresponding numbers in ABET programmes. In 2006/07, inequality levels in ABET programmes were almost four times worse than corresponding levels in POS budgets. This is a direct function of the relative funding attention and implementation prioritisation that the public school budget enjoyed. One can extend this argument even further by focusing on specific aspects of expenditure, such as

non-personnel recurrent and non-capital expenditures in POS. Although comparable numbers are not available for other programmes, it is almost certain that ratios of inequality across programmes will be even greater if we use narrower expenditure definitions.

Fourthly, although official education enrolment data have improved, official publications are not yet up to the challenge of providing reliable and accurate data that can be used in assessing implementation progress. Enrolment data for the ECD and public FET college programmes are two good examples of this problem. Given the reforms that were made to the ECD programme in provincial budgets, there are no reliable official learner statistics that will enable us to develop service delivery profiles for each of the nine provinces. The problem is so severe in that we don't even know how to interpret the enrolment data in the official Department of Education publications. Also, in the public FET college programme, headcount data instead of full-time equivalents are provided, further obscuring the present input situation at the provincial level. Headcount data are inappropriate at the FET college level because some courses take a full academic year to complete while others may take only a few days.

Fifthly, the available data on the implementation of the life skills and HIV/AIDS grant suggest that spending rates have progressively declined over a three-year period from 2005 to 2007. While provincial education departments over-spent by 20 per cent in 2005, at the end of the last financial year, provinces collectively under-spent by 17 per cent. The two main culprits were KwaZulu-Natal and Limpopo, which under-spent their allocations by 32 per cent and 44 per cent respectively. Spending on the national school nutrition grant varies from a 9 per cent under-spent in 2005 to just 3 per cent in 2007. However, in 2007, Mpumalanga managed to under-spend its allocation by 11 per cent, while the KwaZulu-Natal education department spent 7 per cent less than its original allocation. These under-spending rates are difficult to justify, especially in contexts where there are legal disputes about the exclusion of many poor schools. Under-spending on this grant strengthens the case of litigators who argue for the aggressive extension of this anti-poverty programme to the broadest majority of poor learners.

Provincial education MTEF 2008 continues to provide more funding benefits to the poorest learners in South Africa. Its support of the implementation of policy in the ECD, POS, and ELSEN programmes are to be welcomed. While serious questions remain about the adequacy of the inputs in both public schools and early childhood learning, inclusive education is slowly being put back on track. However, funding limitations remain in that no conditional grant has been provided for the inclusive education initiative, the national school nutrition programme is still stuck at the primary school level, and ABET funding is still neglected. Much work still lies ahead before the resources agenda recedes into the background and other equally important issues can be tackled with all the energy the sector has at its disposal.

NOTES

¹ Abbreviated formal definitions of the transversal expenditure categories are taken from the *Budget Review 2006* (National Treasury, 2006: 205–206):

Compensation of employees: This category includes all personnel-related expenditure, i.e. all payments to government employees, both salaries and social contributions.

Goods and services: This item refers to all government payments in exchange for goods and services, but excluding capital assets and goods used by government for construction of and improvements to capital assets. For example, in an education department, school books could be listed, while in a health department, medicines might appear.

Transfers and subsidies: This represents funds that are transferred to other institutions, businesses and individuals, and therefore does not constitute final expenditure by the department. No goods or services are received in return for these payments. Transfers and subsidies include both current and capital transfers. Transfers are paid out to households (social grant), to another level of government, non-profit organisations (school-feeding NGOs), and public corporations.

Payment for capital assets: This item covers purchases of new assets, as well as extensions and improvements to existing assets.

² This appears to be a general trend in provincial education budget plans based on an analysis of personnel projections in the various education chapters of the provincial Budget Statements. The few provincial education departments that do project positive growth in personnel numbers are those that appear to be receiving learners and schools involved in boundary changes.

³ This section has been taken from a recently published Idasa paper on the implementation of the school funding policy. See Wildeman, RA (2008) **Reviewing eight years of the implementation of the school funding norms, 2000 to 2008.**

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APPENDIX

Table A1: Personnel expenditure by provincial education department, 2007/08 to 2010/11

Province	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Eastern Cape	11,870,205	13,843,318	14,529,144	15,404,949	9.8	3.7	3.3
Free State	4,432,404	4,910,055	5,422,829	5,856,472	4.3	4.3	3.0
Gauteng	10,750,185	12,315,991	13,456,457	14,065,718	7.9	4.0	5.0
KwaZulu-Natal	15,272,459	16,572,749	18,699,302	20,182,101	2.2	4.3	5.3
Limpopo	9,701,606	10,842,526	11,893,933	12,538,079	5.2	3.5	2.7
Mpumalanga	5,951,757	6,624,303	7,222,025	7,837,508	4.8	4.2	6.8
Northern Cape	1,803,405	1,953,794	2,135,792	2,282,711	2.0	2.8	6.7
North West	4,758,723	5,533,677	6,213,383	6,811,704	9.5	7.1	2.2
Western Cape	5,917,950	6,744,600	7,538,417	8,104,273	7.3	5.5	4.5
Total	70,458,694	79,341,013	87,111,282	93,083,515	6.0	4.3	4.1

Source: Provincial Budget Statements 2, 2008

Table A2: Capital expenditure by provincial education department, 2007/08 to 2010/11

Province	2007/08	2008/09	2009/10	2010/11	Real change between 2007/08-2008/09 (%)	Real av. Ann. Change between 2007/08-2010/11 (%)	Real av. Ann. Change between 2004/05-2010/11 (%)
Eastern Cape	594,630	945,279	1,227,552	1,439,368	49.7	28.5	23.6
Free State	247,434	443,394	330,377	353,063	68.7	14.0	35.6
Gauteng	762,792	635,560	694,233	735,887	-21.5	-5.4	-1.9
KwaZulu-Natal	954,999	1,259,549	1,560,939	2,183,648	24.2	25.4	23.0
Limpopo	444,852	666,343	765,461	827,636	41.0	18.0	6.8
Mpumalanga	429,201	377,493	411,401	453,016	-17.2	-2.7	18.7
Northern Cape	45,450	42,890	57,554	60,961	-11.1	6.0	26.3
North West	199,333	252,191	330,562	410,533	19.1	20.9	20.7
Western Cape	194,372	191,842	238,780	304,484	-7.1	11.2	12.2
Total	3,873,063	4,814,541	5,616,859	6,768,596	17.1	14.5	12.3

Source: Provincial Budget Statements 2, 2008

Table A3: Real year-on-year growth of consolidated provincial education budgets by type of expenditure, 2004/05 to 2010/11 (%)

Expenditure item	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Current payments	6.5	2.9	5.7	7.4	5.5	3.3
Compensation	4.6	2.6	4.8	6.0	4.8	2.1
Goods and service	25.7	5.3	13.3	17.6	10.6	10.8
Other	-60.2	197.8	-85.3	-57.2	-0.1	0.2
Transfers/subsidies	13.1	18.6	21.8	21.5	-0.8	4.8
Provinces and municipalities	-3.1	-71.3	-99.7	-100.0	N/A	N/A
NGOs	17.5	24.1	23.9	23.2	-0.8	5.1
Households	-11.7	9.3	20.2	-3.6	1.1	-0.6
Other	-29.1	19.3	-17.6	10.7	-12.2	0.7
Payments for capital assets	7.9	23.2	-0.7	17.1	11.3	15.1
Buildings	9.7	28.3	-0.8	18.1	9.4	15.0
Machinery and equipment	-7.9	-15.4	9.1	8.7	32.4	15.7
Other	1648.0	63.5	-78.1	-70.3	-48.3	-0.1
Grand total	6.9	4.6	6.4	8.8	5.3	4.0

Source: Provincial Budget Statements 2, 2008

Table A4: The real year-on-year growth rates of consolidated provincial education programmes by programme, 2004/05 to 2010/11 (%)

Programme	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Administration	8.1	-0.8	13.0	3.6	1.1	2.4
Public ordinary schools	6.5	4.6	4.9	8.1	6.0	3.1
Independent schools	12.1	15.0	3.9	8.0	4.6	2.3
Special needs schools	3.0	5.0	8.4	15.5	5.6	10.7
Further education and training	5.7	29.6	16.2	16.7	-9.8	1.3
Adult basic education and training	27.3	-3.6	18.6	6.5	4.1	1.4
Early childhood development	-5.2	18.2	59.0	47.7	33.6	51.1
Auxiliary and associated services	22.2	-5.1	7.3	14.6	-5.3	-1.0
Total	6.9	4.6	6.4	8.8	5.3	4.0

Source: Provincial Budget Statements 2, 2008

Table A5: The real year-on-year growth rates of consolidated provincial education public schools budget by type of expenditure, 2004/05 to 2010/11 (%)

Expenditure	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Current payments	6.0	3.7	4.4	7.9	5.8	2.8
Compensation	4.2	3.4	3.7	6.7	5.0	2.1
Goods and service	30.2	4.7	11.2	18.4	12.3	8.6
Other	-11.6	84.0	16.0	16.5	0.2	-2.7
Transfers/subsidies	5.1	15.2	29.7	17.9	3.2	0.6
NGOs	8.9	22.2	36.3	19.1	3.3	0.6
Households	-10.3	9.2	-4.6	0.2	0.5	-0.3
Other	-12.9	-62.7	-99.8	-100.0	N/A	N/A
Payments for capital assets	18.2	19.6	-6.6	3.0	14.7	11.0
Buildings	16.6	22.9	-8.4	2.3	13.0	10.8
Machinery and equipment	43.2	-41.4	73.6	19.6	42.4	14.4
Other	N/A	22.5	-81.2	-98.2	1.1	0.9
Grand total	6.4	4.7	4.9	8.2	6.0	3.0

Source: Provincial Budget Statements 2, 2008

Table A6: Real year-on-year growth rates of public ordinary school budgets by provincial education department, 2004/05 to 2010/11 (%)

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	3.1	6.2	3.7	13.9	1.1	1.9
Free State	5.8	2.1	-3.3	6.5	6.3	3.4
Gauteng	3.3	4.6	18.5	7.7	6.1	0.9
KwaZulu-Natal	8.8	3.5	7.5	4.8	8.3	4.4
Limpopo	3.7	9.6	-3.9	11.3	7.5	3.0
Mpumalanga	13.3	2.4	19.2	1.4	4.4	4.0
Northern Cape	8.3	-0.2	29.7	7.4	6.3	2.6
North West	10.7	5.4	-17.8	9.5	9.8	4.5
Western Cape	7.7	0.1	4.4	9.0	6.3	3.7
Total	6.5	4.6	4.9	8.1	6.0	3.1

Source: Provincial Budget Statements 2, 2008

Table A7: Real year-on-year growth rates of ELSEN budgets by provincial education department, 2004/05 to 2010/11 (%)

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	9.0	13.0	14.0	52.1	9.3	0.1
Free State	6.5	5.6	2.1	14.9	2.5	1.2
Gauteng	5.0	2.9	3.7	9.2	4.8	10.2
KwaZulu-Natal	4.2	4.5	19.3	14.7	6.5	31.4
Limpopo	-20.8	-0.3	29.4	0.1	1.6	1.1
Mpumalanga	10.8	6.2	13.7	22.6	1.9	8.3
Northern Cape	0.4	8.9	8.7	-4.1	8.1	21.7
North West	4.5	19.2	-0.3	3.3	9.5	27.6
Western Cape	2.0	1.2	1.4	11.2	4.8	4.7
Total	3.0	5.0	8.4	15.5	5.6	10.7

Source: Provincial Budget Statements 2, 2008

Table A8: Real year-on-year growth rates of public FET college budgets by provincial education department, 2004/05 to 2010/11 (%)

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	-5.0	26.2	11.6	51.4	-25.2	12.6
Free State	-15.0	28.7	8.2	3.3	3.3	1.1
Gauteng	0.9	29.2	26.1	7.8	0.2	-2.8
KwaZulu-Natal	37.0	12.0	23.3	33.5	-26.4	-1.1
Limpopo	-2.8	25.1	32.9	9.7	-0.9	1.0
Mpumalanga	17.7	32.6	6.5	5.7	-4.3	6.3
Northern Cape	14.8	16.2	-3.3	-8.5	-18.0	-3.5
North West	-12.7	80.9	-5.8	23.3	0.4	1.6
Western Cape	6.0	53.6	6.4	-0.6	0.9	0.4
Total	5.7	29.6	16.2	16.7	-9.8	1.3

Source: Provincial Budget Statements 2, 2008

Table A9: Real year-on-year growth rates of ABET budgets by provincial education department, 2004/05 to 2010/11 (%)

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	3.9	8.9	-10.8	-4.0	-0.1	0.3
Free State	95.6	-33.0	1.0	27.2	2.3	1.2
Gauteng	9.2	1.5	23.6	7.5	10.4	-0.3
KwaZulu-Natal	65.6	-19.3	39.0	0.7	3.1	3.6
Limpopo	41.7	-11.6	119.6	-0.3	1.0	1.0
Mpumalanga	36.0	-5.3	7.9	34.1	7.8	4.4
Northern Cape	-2.2	11.9	27.9	-18.9	0.2	1.2
North West	37.7	24.9	10.4	5.0	-0.5	2.5
Western Cape	4.7	-2.7	3.1	0.4	1.1	0.3
Total	27.3	-3.6	18.6	6.5	4.1	1.4

Source: Provincial Budget Statements 2, 2008

Table A10: Real year-on-year growth rates of ECD budgets by provincial education department, 2004/05 to 2010/11 (%)

Province	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Eastern Cape	1.0	13.7	84.0	182.3	37.5	30.4
Free State	4.3	38.4	12.7	17.5	4.9	0.9
Gauteng	-23.0	-18.0	298.3	32.3	37.9	79.8
KwaZulu-Natal	-25.6	50.8	59.8	16.9	54.1	72.8
Limpopo	-10.1	87.0	37.7	129.4	40.1	86.2
Mpumalanga	21.6	3.0	32.1	34.3	49.4	62.0
Northern Cape	1.2	-2.9	62.3	118.3	22.3	50.1
North West	-7.6	6.3	7.6	5.5	22.1	37.7
Western Cape	19.0	15.4	70.1	29.6	15.3	11.9
Total	-5.2	18.2	59.0	47.7	33.6	51.1

Source: Provincial Budget Statements 2, 2008