

Education

Introduction

Development practitioners agree that education is the key driving force for accelerated human development, reduction in poverty and in the long run sustained access to quality education influences the pace of economic growth. While there are substantial private returns to education, it also provides a valuable societal function through the development of an informed citizenry which can engage with state, private institutions and their community on the issues that affect them and others.

Education also makes a vital contribution to social cohesion, which is a crucial element for sustaining democracy. The combined benefits of education justify the fact that South Africa spends the biggest share (21,9 per cent) of total government non-interest expenditure, which represents about 5,3 per cent of GDP. However, the full benefits of a good education system can only be had if it is complemented by appropriate policy interventions in other facets of life.

Around 21,9 per cent non-interest spending goes to education

This chapter:

- Provides a short overview of the education landscape.
- Reviews the key provincial expenditure trends for the period 2002/03 to 2005/06 and for budgeted expenditure for the period 2006/07 to 2008/09.
- Reviews selected aspects of public school education outputs and quality.

Current education landscape

Education is a concurrent function of national and provincial government, except for higher education which is the exclusive responsibility of the national sphere. Some aspects of early childhood development for children aged 0 to 4 are delivered by provincial departments of social development.

National department responsible for policy formulation

The national department is responsible for formulating overall education policy, setting norms and standards for education provisioning as well as monitoring and supporting provincial departments with implementation of policy. Provincial education departments are responsible for funding and delivery of public school education, adult basic education and training (ABET), education for learners with special needs (ELSEN) and further education and training (FET).

The formal education system comprises three bands:

- General education and training (GET): learners from the reception year (Grade R) up to grade 9 as well as the equivalent ABET component.
- FET: learners from grade 10 to 12 and all education and training from levels 2 to 4 on the national qualifications framework (NQF) and the national technical certificates 1 to 3 in FET colleges.
- Higher education: spans levels 5 to 8 of the NQF and consists of a range of certificates, diplomas and degrees (undergraduate and postgraduate) in universities and technikons in 22 fields of specialisation ranging from agriculture and business management to nuclear physics.

Table 2.1 Education in South Africa: A global picture, 2004

National		Learners	%	Educators	Institutions
Public Schools	Primary	6 237 295	52,5%	173 850	15 919
	Secondary	3 668 430	30,9%	111 865	5 701
	Combined	1 591 638	13,4%	42 747	3 377
	Intermediate & Middle	378 076	3,2%	11 241	775
	Total (Public)	11 875 439	85,7%	339 703	25 772
Independent Schools	Primary	83 184	27,6%	4 011	367
	Secondary	49 350	16,4%	2 890	186
	Combined	163 445	54,3%	10 558	534
	Intermediate & Middle	4 973	1,7%	175	20
	Total (Independent)	300 952	2,2%	17 634	1 107
Total (Public and Independent)		12 176 391	87,8%	357 337	26 879
Other educational programmes	ABET	272 725	16,2%	15 954	2 339
	ELSEN	86 388	5,1%	7 392	408
	Public FET	394 027	23,4%	6 477	50
	ECD	189 254	11,2%	7 363	4 146
	Public HE	744 488	44,1%	15 375	29
	Total (Other)	1 686 882	12,2%	52 561	6 972
Grand Total		13 863 273	100,0%	409 898	33 851

Source: Education Statistics in South Africa at a Glance in 2004, National Department of Education

By 2004 there were 13,9 million participants in the education system who attended 33 851 educational institutions served by 409 898 educators and lecturers. Of those 11,9 million (85,7 per cent) were in public schools and just over 300 000 (2,2 per cent) were in independent schools. Of the learners in other educational programmes 744 488 (5,4 per cent) were at public higher education institutions, 394 027 (2,8 per cent) at public FET institutions, 548 367 (4 per cent) were in ABET centres, special schools and ECD sites.

The share of each component in total education expenditure has remained relatively stable over the period under review. In 2005/06, higher education accounted for 13 per cent of total education expenditure, primary and secondary school education 73,5 per cent, FET 2,1 per cent, ABET 0,8 per cent and ECD the remaining 0,6 per cent.

Table 2.2 Education components and shares, 2002/03 – 2008/09

	2002/03	2003/04 Outcome	2004/05	2005/06 Preliminary outcome	2006/07	2007/08	2008/09 Medium-term estimates
R million							
Education	62 012	70 130	75 485	83 437	91 995	101 154	110 236
<i>of which</i>							
Higher education	8 043	8 953	9 911	10 807	11 807	12 822	13 840
Primary and secondary school education	44 965	50 627	54 474	61 333	65 889	72 513	78 801
Further education and training (FET)	1 176	1 282	1 472	1 767	2 291	2 516	2 856
Adult basic education and training (ABET)	442	537	536	704	798	924	1 048
Early childhood and development (ECD)	307	377	446	471	684	980	1 315
Percentage share of total education							
Higher education	13,0%	12,8%	13,1%	13,0%	12,8%	12,7%	12,6%
Primary and secondary school education	72,5%	72,2%	72,2%	73,5%	71,6%	71,7%	71,5%
Further education and training (FET)	1,9%	1,8%	1,9%	2,1%	2,5%	2,5%	2,6%
Adult basic education and training (ABET)	0,7%	0,8%	0,7%	0,8%	0,9%	0,9%	1,0%
Early childhood and development (ECD)	0,5%	0,5%	0,6%	0,6%	0,7%	1,0%	1,2%
GDP (R billion)	1 198,3	1 281,4	1 420,0	1 559,6	1 714,5	1 884,9	2 095,9
Education total as % of GDP	5,2%	5,5%	5,3%	5,3%	5,4%	5,4%	5,3%

Source: National Treasury provincial database

Profile of learners

The mainly rural provinces tend to have proportionally more schools with fewer learners than the more urbanised provinces. Table 2.3 shows that Eastern Cape had 24,4 per cent of the national public ordinary schools serving 18,3 per cent of all learners, while Gauteng with 7,4 per cent of ordinary schools served 13,5 per cent of the country's learners. This is also reflected in the learner-to-school ratio with the Eastern Cape having on average 349 learners per school while Gauteng has on average 846 learners per school.

Rural provinces have proportionally more schools than the more urbanised ones

Table 2.3 Number of learners, educators and schools, and learner-to-educator and learner-to-school ratios in the public ordinary school sector by province, 2005

	Number			Ratio	
	Learners	Educators	Schools	Learner : Educator	Learner : School
Eastern Cape	2 179 102	66 083	6 239	33,0	349
Free State	670 656	22 324	1 842	30,0	364
Gauteng	1 605 150	50 600	1 897	31,7	846
KwaZulu-Natal	2 681 144	77 906	5 653	34,4	474
Limpopo	1 885 872	55 361	4 187	34,1	450
Mpumalanga	895 583	26 643	1 863	33,6	481
Northern Cape	207 688	6 513	422	31,9	492
North West	836 159	26 929	2 025	31,1	413
Western Cape	949 790	30 119	1 454	31,5	653
Total	11 911 144	362 478	25 582	32,9	466
Percentage of national total					
Eastern Cape	18,3%	18,2%	24,4%		
Free State	5,6%	6,2%	7,2%		
Gauteng	13,5%	14,0%	7,4%		
KwaZulu-Natal	22,5%	21,5%	22,1%		
Limpopo	15,8%	15,3%	16,4%		
Mpumalanga	7,5%	7,4%	7,3%		
Northern Cape	1,7%	1,8%	1,6%		
North West	7,0%	7,4%	7,9%		
Western Cape	8,0%	8,3%	5,7%		
Total	100,0%	100,0%	100,0%		

Source: 2005 School Realities, National Department of Education

Learner: educator ratio fairly stable, nationally

The average learner: educator ratio in 2005 was 32,9 (ranging from 30,0 in Free State to 34,4 in KwaZulu-Natal). This ratio has remained fairly constant between 2000 and 2005 with only the Free State showing a decline over the period from 32,8 to 30.

The average learner-to-school ratio at ordinary schools was 466, ranging from 349 in the Eastern Cape to 846 in Gauteng. This ratio has also remained fairly constant over the period 2000 to 2005 (429 to 466) with the greatest increase in the number of learners per school in the Northern Cape (from 390 to 492) and the Free State (294 to 364). Schools in urban cities within these provinces are largely driving this increase, which confirms urbanisation trends.

Gauteng, KwaZulu-Natal and Western Cape account for almost 70 per cent of the learners in independent schools

Gauteng, KwaZulu-Natal and the Western Cape account for just over 62 per cent of independent schools and almost 70 per cent of learners in this sector. This sector is quite diverse comprising very wealthy private schools, poor inner city schools as well as a number of religious schools. Table 2.4 shows that the ratios of learners to educator and school for independent schools are substantially lower than that of public ordinary schools (average 17,5 learners per educator and 334 learners per school). The number of learners in this environment has increased from 138 769 in 2001 to 340 060 in 2005, indicating a preference by parents to put substantial resources into the education of their children. It may also indicate increasing dissatisfaction with the quality of education provided at public

schools. Provincial variations are expected given the heterogeneity of the sector.

Table 2.4 Number of learners, educators and schools, and learner-to-educator and learner-to-school ratios in the independent school sector by province, 2005

	Number			Ratio	
	Learners	Educators	Schools	Learner : Educator	Learner : School
Eastern Cape	30 045	1 147	94	26,2	320
Free State	16 263	655	64	24,8	254
Gauteng	153 386	9 529	360	16,1	426
KwaZulu-Natal	46 966	3 090	146	15,2	322
Limpopo	28 341	949	68	29,9	417
Mpumalanga	21 872	1 058	112	20,7	195
Northern Cape	2 846	128	8	22,2	356
North West	10 607	534	39	19,9	272
Western Cape	29 734	2 328	126	12,8	236
Total	340 060	19 418	1 017	17,5	334
Percentage of national total					
Eastern Cape	8,8%	5,9%	9,2%		
Free State	4,8%	3,4%	6,3%		
Gauteng	45,1%	49,1%	35,4%		
KwaZulu-Natal	13,8%	15,9%	14,4%		
Limpopo	8,3%	4,9%	6,7%		
Mpumalanga	6,4%	5,4%	11,0%		
Northern Cape	0,8%	0,7%	0,8%		
North West	3,1%	2,8%	3,8%		
Western Cape	8,7%	12,0%	12,4%		
Total	100,0%	100,0%	100,0%		

Source: 2005 School Realities, National Department of Education

Gross enrolment ratio (GER)

The GER is defined as the number of learners, regardless of age enrolled in a specific school phase as a percentage of the total appropriate school-age population. A ratio of 100 will indicate that the system is in balance, a ratio below 100 indicates that there are missing learners while a ratio of above 100 indicates the presence of under- and over-age learners in the system. Generally, ratios less than 90 and over 105 are not acceptable as they give rise to inefficiencies in the system.

The total GER for all grades R to 12 in 2004 was 93 per cent, which was lower than the GER of 98 per cent for the combined primary and secondary phase, indicating the negative impact of the inclusion of grade R. As the system moves towards achieving the policy target of universal access to grade R by 2010, the two values should converge.

However, for some provinces the GERs are higher than 100 per cent indicating the enrolment of under-age learners, over age learners and grade repetition. GER values for the FET band are somewhat low suggesting early exit of learners from the education system.

Gross enrolment ratios vary, but are generally below 100

Table 2.5 Gross Enrolment Ratio in 2004

	School Phases (Gr. 1-12)			School Bands (Gr. R-12)		
	Primary Phase (Gr. 1-7)	Secondary Phase (Gr. 8-12)	Total (Gr. 1-12)	GET Band (Gr. R-9)	FET Band (Gr. 10-12)	Total (Gr. R-12)
Eastern Cape	114%	72%	97%	101%	65%	93%
Free State	94%	83%	90%	88%	76%	85%
Gauteng	104%	97%	101%	96%	89%	94%
KwaZulu-Natal	105%	91%	99%	96%	86%	94%
Limpopo	101%	100%	101%	97%	98%	98%
Mpumalanga	105%	97%	102%	97%	93%	96%
Northern Cape	101%	82%	93%	92%	73%	88%
North West	99%	88%	94%	89%	83%	87%
Western Cape	102%	86%	95%	95%	74%	90%
Total	104%	89%	98%	96%	83%	93%

Source: Education Statistics in South Africa at a Glance in 2004, National Department of Education

Further education and training

Greater emphasis on FET colleges to modernise infrastructure and improve curriculum

The FET sector has entered a period of stability with the completion of the merger process (from 152 institutions to 50) and the rollout of the recapitalisation conditional grant. Over the 2006 MTEF period, key areas of focus will include general infrastructure upgrading and the development of an appropriate management information system. Attention will also be given to student support services in order to address the trend of increased student numbers but poor throughput rates. In addition, governance, management and staff development at colleges will be targeted. The expectation is that the sector will achieve greater consistency as well as a marked improvement in the overall efficiency of the system through the injection of R1,5 billion over the medium term.

Table 2.6 Numbers of full-time equivalent (FTE) and head count students and institutions in the public further education and training sector by province

Number	Pre April 2002			2003	2004	
	Full time equivalent	Learners	Former technical colleges	FET colleges	Learners	FET colleges
Eastern Cape	13 489	34 854	26	8	34 854	8
Free State	9 792	24 291	11	4	21 315	4
Gauteng	47 161	135 227	33	8	123 216	8
KwaZulu-Natal	22 744	65 073	24	9	65 073	9
Limpopo	13 100	37 072	14	7	37 071	7
Mpumalanga	7 655	24 067	10	3	24 067	3
Northern Cape	3 129	8 581	6	2	11 006	2
North West	9 382	31 057	11	3	28 240	3
Western Cape	17 461	45 922	17	6	49 185	6
Total	143 913	406 144	152	50	394 027	50

Source: Education Statistics in South Africa at a Glance in 2004, National Department of Education

KwaZulu-Natal and Gauteng account for a larger proportion of FET learners

While colleges are more evenly spread across the country in relation to target population, Gauteng, KwaZulu-Natal and Western Cape continue to account for most learners at 60 per cent in 2004. As the recapitalization process unfolds and the sector becomes more market

driven and responsive to the economy's needs, enrolments should expand.

Funding and provincial expenditure

Trends in funding of provincial education

Provincial education spending has increased from R53,2 billion in 2002/03 to R72,0 billion in 2005/06 translating to an annual average nominal growth rate of 10,6 per cent, or 5,8 per cent per year in real terms. This trend is visible across all provinces especially Free State, KwaZulu-Natal, Limpopo and Mpumalanga. These expenditure numbers reflect substantial additional real resources available to the education sector over the past three MTEF cycles.

Education budgets grew 10,6 per cent annually between 2002/03 and 2005/06

Table 2.7 Provincial education expenditure¹, 2002/03 – 2008/09

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Eastern Cape	9 268	10 308	10 654	11 523	13 065	14 774	16 334
Free State	3 551	4 087	4 400	4 916	5 272	5 642	6 084
Gauteng	8 129	9 539	9 835	10 406	12 282	13 338	14 508
KwaZulu-Natal	10 432	12 022	13 033	15 006	16 209	17 983	19 385
Limpopo	7 450	8 264	9 610	10 362	11 067	12 268	13 614
Mpumalanga	3 922	4 529	4 871	5 780	6 218	6 910	7 548
Northern Cape	1 181	1 305	1 397	1 563	1 644	1 801	1 957
North West	4 416	4 896	5 179	5 951	6 305	6 698	7 223
Western Cape	4 802	5 305	5 691	6 449	6 988	7 593	8 212
Total	53 151	60 255	64 670	71 957	79 051	87 008	94 865
Percentage of total provincial spending							
Eastern Cape	49,6%	47,5%	49,3%	48,7%	48,7%	48,5%	48,2%
Free State	45,6%	45,8%	45,3%	46,0%	45,3%	43,6%	42,9%
Gauteng	38,5%	40,2%	39,7%	38,4%	35,6%	37,0%	37,6%
KwaZulu-Natal	46,5%	47,2%	46,5%	45,0%	43,6%	42,9%	41,2%
Limpopo	50,8%	50,0%	51,3%	49,5%	48,3%	48,1%	48,1%
Mpumalanga	49,6%	50,2%	48,6%	49,8%	48,6%	48,6%	48,8%
Northern Cape	44,2%	41,6%	42,1%	39,5%	37,4%	37,1%	38,0%
North West	48,3%	48,1%	46,6%	45,3%	43,8%	41,8%	40,9%
Western Cape	40,5%	40,3%	38,9%	38,5%	38,0%	38,2%	38,0%
Total	45,7%	45,7%	45,6%	44,7%	43,2%	43,1%	42,8%
Percentage growth (average annual)	2002/03 – 2005/06			2005/06 – 2008/09			
Eastern Cape	7,5%			12,3%			
Free State	11,5%			7,4%			
Gauteng	8,6%			11,7%			
KwaZulu-Natal	12,9%			8,9%			
Limpopo	11,6%			9,5%			
Mpumalanga	13,8%			9,3%			
Northern Cape	9,8%			7,8%			
North West	10,5%			6,7%			
Western Cape	10,3%			8,4%			
Total	10,6%			9,7%			

1. Includes National School Nutrition Programme.

Source: National Treasury provincial database

The increasing spending trajectory is sustained over the 2006 MTEF

Over the 2006 MTEF, overall spending is projected to grow at a nominal rate of 9,7 per cent (or 4,9 per cent in real terms) per year and is spread across all provinces. Spending growth in Eastern Cape and Gauteng is projected to be more than 11 per cent per year over the MTEF. Part of this growth will be absorbed by educators to provide for enhanced performance related rewards and to retain scarce skills, funding for the recapitalisation of the FET college sector and the introduction of no-fee schools and general quality enhancement programmes.

Compensation of employees

Personnel expenditure grows in absolute terms, while its share in education spending drops

Table 2.8 shows that compensation of employees, at 80,8 per cent in 2005/06, makes up the largest share of total education spending. Personnel spending (compensation of employees) over the last three years has been stable, growing at about 3,8 per cent per year in real terms. It is expected to grow by 2,2 per cent in real terms over the MTEF. The real growth in available funding has allowed for rapid growth in goods and services (including essential complementary teaching inputs such as textbooks and stationery) and in capital spending which are key inputs needed to improve the quality of education.

Table 2.8 Provincial education expenditure by economic classification, 2002/03 – 2008/09

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Current payments	49 614	55 185	58 947	65 358	70 915	77 773	84 199
<i>of which:</i>							
Compensation of employees	45 522	49 677	53 413	58 175	62 241	66 691	70 935
Goods and services	4 088	5 506	5 490	7 165	8 669	11 077	13 259
Transfers and subsidies	1 806	2 498	3 222	3 791	4 558	5 183	5 712
Payments for capital assets	1 731	2 572	2 500	2 808	3 578	4 052	4 953
Total	53 151	60 255	64 670	71 957	79 051	87 008	94 865
Percentage of provincial education expenditure							
Current payments	93,3%	91,6%	91,2%	90,8%	89,7%	89,4%	88,8%
<i>of which:</i>							
Compensation of employees	85,6%	82,4%	82,6%	80,8%	78,7%	76,6%	74,8%
Goods and services	7,7%	9,1%	8,5%	10,0%	11,0%	12,7%	14,0%
Transfers and subsidies	3,4%	4,1%	5,0%	5,3%	5,8%	6,0%	6,0%
Payments for capital assets	3,3%	4,3%	3,9%	3,9%	4,5%	4,7%	5,2%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Percentage growth (average annual)		2002/03 – 2005/06			2005/06 – 2008/09		
Current payments		9,6%			8,8%		
<i>of which:</i>							
Compensation of employees		8,5%			6,8%		
Goods and services		20,6%			22,8%		
Transfers and subsidies		28,0%			14,6%		
Payments for capital assets		17,5%			20,8%		
Total		10,6%			9,7%		

Source: National Treasury provincial database

One of the crucial areas in schooling is the training and supply of well qualified teachers. While in-service education and training (INSET) teacher development programmes, for addressing poor qualification levels, have been successful over the past ten years, other issues such as the slow growth in supply of suitably qualified teachers, particularly in an environment of much higher attrition rates, remains a concern.

The slow supply of suitably qualified educators remains a concern

Table 2.9 Net entry/exit of education personnel from 2001/02 to 2004/05

Number	2001/02	2002/03	2003/04	2004/05
Start of year	408 222	402 745	397 151	399 703
New entrants	15 511	15 248	17 962	5 848
Exits	20 988	20 842	15 410	19 662
Death	507	1 172	679	842
Ill-health	963	1 004	778	809
Other ¹	14 374	11 451	9 586	12 907
Resignation	2 834	3 936	2 160	2 400
Retirement	2 310	3 279	2 207	2 704
End of year	402 745	397 151	399 703	385 889
Net entry (+) or exit (-)	-5 477	-5 594	2 552	-13 814

1. Includes cases where members are no longer contributing to the GEPF, but the processing of their forms from the employer has not been completed.

Source: Government Employees Pension Fund (GEPF)

Table 2.10 Provincial education compensation of employees, 2002/03 – 2008/09

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Eastern Cape	8 037	8 756	9 324	9 916	10 432	11 133	11 903
Free State	3 022	3 392	3 598	3 899	4 186	4 429	4 668
Gauteng	6 655	7 267	7 699	8 271	9 580	10 236	10 930
KwaZulu-Natal	9 165	10 045	10 863	11 879	12 942	13 810	14 979
Limpopo	6 608	7 090	7 858	8 759	8 767	9 654	10 052
Mpumalanga	3 237	3 560	3 875	4 325	4 595	4 891	5 183
Northern Cape	915	1 012	1 155	1 234	1 315	1 399	1 469
North West	3 924	4 237	4 474	4 930	5 039	5 345	5 631
Western Cape	3 960	4 316	4 568	4 962	5 385	5 793	6 120
Total	45 522	49 677	53 413	58 175	62 241	66 691	70 935
Percentage of total provincial spending							
Eastern Cape	86,7%	84,9%	87,5%	86,1%	79,8%	75,4%	72,9%
Free State	85,1%	83,0%	81,8%	79,3%	79,4%	78,5%	76,7%
Gauteng	81,9%	76,2%	78,3%	79,5%	78,0%	76,7%	75,3%
KwaZulu-Natal	87,8%	83,6%	83,3%	79,2%	79,8%	76,8%	77,3%
Limpopo	88,7%	85,8%	81,8%	84,5%	79,2%	78,7%	73,8%
Mpumalanga	82,5%	78,6%	79,6%	74,8%	73,9%	70,8%	68,7%
Northern Cape	77,5%	77,6%	82,7%	78,9%	80,0%	77,7%	75,1%
North West	88,9%	86,5%	86,4%	82,8%	79,9%	79,8%	78,0%
Western Cape	82,5%	81,4%	80,3%	76,9%	77,1%	76,3%	74,5%
Total	85,6%	82,4%	82,6%	80,8%	78,7%	76,6%	74,8%

Source: National Treasury provincial database

Annually the attrition rate of teachers is around 20 000. From 2001/02, to 2004/05 (Table 2.9), the total number of new entrants was

much less than those leaving the system, resulting in a net loss of personnel. It was only in 2003/04 that there was a slight gain. However, the very low number of new entrants in 2004/05 is a challenge for the sector because this resulted in a net loss to the system of about 13 000 educators – the highest gap to date.

Interventions to retain and attract educators

As part of its strategy to retain and attract educators, government introduced improved career pathing, accelerated pay progression and revised school grading norms. To this end, an amount of R4,2 billion was allocated for the improvement of educator salaries in the 2005 MTEF to ensure that personnel expenditure, the main cost driver in education, continues to grow in real terms.

Efforts to retain and attract mathematics and science teachers need to be stepped up

While the teaching and learning of mathematics and science has been earmarked as a national priority, there is still a problem with the retention of existing mathematics and science teachers and the training of new mathematics and science teachers, especially at schools in the rural areas and townships.

Payments for capital assets

Sharp increase in education capital spending

Provincial spending on capital assets grew at an average annual rate of 12,4 per cent in real terms between 2002/03 and 2005/06. Provincial variations are still prevalent and some schools do not have school libraries, laboratories or computers and many lack electricity, water and functioning toilets or sports fields.

Table 2.11 Provincial education payments for capital assets, 2002/03 – 2008/09

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Eastern Cape	324	422	316	340	734	1 018	1 575
Free State	125	150	110	63	54	56	58
Gauteng	323	552	685	521	726	733	845
KwaZulu-Natal	373	563	485	741	843	907	932
Limpopo	207	326	458	379	494	538	612
Mpumalanga	119	237	135	179	278	358	366
Northern Cape	20	44	17	33	25	23	23
North West	136	140	143	260	205	245	426
Western Cape	104	138	152	294	219	173	116
Total	1 731	2 572	2 500	2 808	3 578	4 052	4 953
Percentage growth (average annual)	2002/03 – 2005/06			2005/06 – 2008/09			
Eastern Cape	1,6%			66,7%			
Free State	-20,3%			-2,5%			
Gauteng	17,2%			17,5%			
KwaZulu-Natal	25,7%			8,0%			
Limpopo	22,2%			17,4%			
Mpumalanga	14,6%			26,9%			
Northern Cape	18,7%			-10,8%			
North West	24,2%			18,0%			
Western Cape	41,4%			-26,8%			
Total	17,5%			20,8%			

Source: National Treasury provincial database

Over the next three years, capital spending is budgeted to grow at an average annual rate of 15,5 per cent per year in real terms and should put the sector in a better position to address the classroom, sanitation, water and electricity backlogs in schools. The high growth rate suggests improved absorptive capacity mainly due to government's infrastructure delivery improvement plan. Province specific trends show that the capital budgets of Free State, Northern Cape and Western Cape decline over the next three years.

**Government's
infrastructure delivery
improvement plan
bearing fruit**

Non-personnel non-capital spending

Apart from ensuring that appropriate numbers of educators are available in public schools and that there are enough classrooms, quality learning and teaching in schools require adequate supplies of learner support materials, scholar transport, municipal services and other complementary inputs.

Despite strong growth in provincial education budgets and increases in learner numbers, there has been an increase in spending per learner on non-personnel non-capital expenditure. Table 2.12 shows that for 2004/05 the Western Cape had the highest non-personnel non-capital spending per learner of more than R700 per year, while Eastern Cape had the lowest, of just over R300. However, over the medium term, Eastern Cape and KwaZulu-Natal show significant growth, thereby closing the gap in non-personnel non-capital spending. The growth in non-personnel non-capital spending per learner can be linked to the national norms and standards for school funding that came into effect in January 2000. The gap between provinces is closing quite fast pointing to an improvement in equity within the sector.

**Per capita spending on
non-personnel non-
capital will nearly
double over the MTEF**

Table 2.12 Public ordinary school education non-personnel, non-capital expenditure per capita, 2002/03 – 2008/09

Rand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Preliminary outcome	Medium-term estimates		
Eastern Cape	288	312	309	373	615	857	908
Free State	312	466	528	688	686	752	971
Gauteng	471	561	549	653	683	861	987
KwaZulu-Natal	253	347	419	604	574	886	903
Limpopo	199	275	506	432	689	805	1 188
Mpumalanga	442	534	606	990	1 016	1 157	1 324
Northern Cape	654	694	500	688	721	990	1 280
North West	270	445	469	693	847	895	938
Western Cape	530	615	706	790	854	1 010	1 280
Total	329	413	478	598	700	890	1 036

Source: National Treasury provincial database

Spending by programme

Public ordinary schools absorb the largest share of education budget

Table 2.13 shows that the public ordinary schools programme absorbs the bulk of provincial education expenditure (83,9 per cent or R60,4 billion in 2005/06). The share of this programme has declined slightly since 2002/03 but remains stable over the MTEF. Administration spending continues to grow significantly over the medium term, from R5,0 billion in 2005/06 to R6,0 billion in 2008/09. Next in relative importance are the much smaller public special school education, further education and training colleges (FET colleges), adult basic education and training (ABET) and early childhood education (ECD) programmes.

Table 2.13 Provincial education expenditure by programme, 2002/03 – 2008/09

R million	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Preliminary outcome	Medium-term estimates		
Administration	3 894	4 426	4 498	5 041	5 224	5 556	6 042
Public ordinary school education	44 965	50 627	54 474	60 387	65 889	72 513	78 801
<i>of which:</i>							
<i>Primary schools</i>	24 131	27 853	29 703	32 927	35 107	38 404	40 639
<i>Secondary schools</i>	19 394	20 922	22 651	25 451	27 341	30 238	33 574
<i>Other subprogrammes</i>	1 439	1 852	2 120	2 009	3 441	3 871	4 588
Independent school subsidies	228	266	286	334	371	412	457
Public special school	1 418	1 566	1 803	1 932	2 261	2 433	2 592
Further education and training	1 087	1 171	1 321	1 454	2 090	2 333	2 665
Adult basic education and training	442	537	536	710	798	924	1 048
Early childhood development	307	377	446	440	684	980	1 315
Auxiliary and associated services	810	1 285	1 304	1 659	1 733	1 856	1 944
Total expenditure	53 151	60 255	64 670	71 957	79 051	87 008	94 865
Percentage of provincial education expenditure							
Administration	7,3%	7,3%	7,0%	7,0%	6,6%	6,4%	6,4%
Public ordinary school education	84,6%	84,0%	84,2%	83,9%	83,4%	83,3%	83,1%
<i>of which:</i>							
<i>Primary schools</i>	53,7%	55,0%	54,5%	54,5%	53,3%	53,0%	51,6%
<i>Secondary schools</i>	43,1%	41,3%	41,6%	42,1%	41,5%	41,7%	42,6%
<i>Other subprogrammes</i>	3,2%	3,7%	3,9%	3,3%	5,2%	5,3%	5,8%
Independent school subsidies	0,4%	0,4%	0,4%	0,5%	0,5%	0,5%	0,5%
Public special school	2,7%	2,6%	2,8%	2,7%	2,9%	2,8%	2,7%
Further education and training	2,0%	1,9%	2,0%	2,0%	2,6%	2,7%	2,8%
Adult basic education and training	0,8%	0,9%	0,8%	1,0%	1,0%	1,1%	1,1%
Early childhood development	0,6%	0,6%	0,7%	0,6%	0,9%	1,1%	1,4%
Auxiliary and associated services	1,5%	2,1%	2,0%	2,3%	2,2%	2,1%	2,0%
Total expenditure	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Source: National Treasury provincial database

Table 2.14 shows public ordinary school spending per learner.

Table 2.14 Public ordinary school education expenditure per capita, 2002/03 – 2008/09

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Preliminary outcome	Medium-term estimates		
Rand							
Eastern Cape	3 847	4 191	4 341	4 593	5 217	5 886	6 520
Free State	4 170	4 836	5 183	5 768	6 130	6 520	7 057
Gauteng	4 438	4 827	4 882	5 142	5 970	6 494	7 006
KwaZulu-Natal	4 162	3 840	4 298	4 860	5 238	5 850	6 278
Limpopo	3 413	3 810	4 522	4 574	4 991	5 546	6 134
Mpumalanga	3 871	4 373	4 526	5 454	5 665	6 145	6 615
Northern Cape	4 782	5 063	5 209	5 822	6 179	6 813	7 402
North West	4 283	4 827	5 194	6 167	5 952	6 353	6 856
Western Cape	4 384	4 753	5 026	5 631	6 015	6 507	7 014
Total	4 034	4 291	4 626	5 070	5 508	6 062	6 588

Source: National Treasury provincial database

After having declined in real terms between 2002/03 and 2005/06, FET spending recovers over the medium term mainly due to the R2 billion allocated in the 2006 Budget for the recapitalisation of FET colleges. Over the next three years FET institutions will rehabilitate infrastructure (equipment and facilities), improve governance and administration, and introduce greater curriculum flexibility in line with the skills requirements of the economy.

Greater focus on FET institutions

Although from a low base, there is very significant real growth in spending on ECD going forward (37,7 per cent per annum over the medium term). Spending on ECD will be three times higher than 2005/06 levels and is consistent with government's drive for progressive realisation of universal access to grade R.

Progressive realisation of universal access to grade R

Adult basic education and training (ABET) experienced average annual nominal growth rates of 17,1 per cent (2003/04) and 13,9 per cent (2004/05), but again off a low base of R442,3 million in 2002/03.

ABET budget continues to grow

Education outputs

Despite relatively high levels of expenditure, improved equity and growing real allocations, the quality of service delivery remains a concern. This is especially so in the light of results of recent standardised international tests, which point to South Africa as a weak performer.

The quality of outputs needs to improve

Matric passes

The matriculation pass rate has improved significantly since 1999, from below 50 per cent in 1997 to 73,2 per cent in 2003. Actual numbers passing the exam have increased from 249 831 in 1999 to 347 184 in 2005. Out of the 6 203 schools that offered the Senior Certificate Examination, only 508 (8,2 per cent) obtained a 100 per cent pass rate, which is slightly lower than 540 in 2004. Nationally, 31 schools (0,5 per cent) scored a 0 per cent pass rate which is 50 per cent less than the 62 in 2004.

Number of learners passing matric exams increasing

However, while the number of learners doing matric is increasing, the percentage of learners who pass shows a steady decline.

In 2005, 508 363 candidates wrote the examination of which 347 184 (68,3 per cent) passed, ranging from 56,7 per cent in Eastern Cape to 84,4 per cent in Western Cape. In relative terms, more females wrote the examinations but the male pass rate is higher, 69,7 per cent versus 67,2 per cent.

Table 2.15 Number of matric passes and pass rate, 2003 – 2005

	2003		2004		2005	
	Number	Percentage pass rate	Number	Percentage pass rate	Number	Percentage pass rate
Eastern Cape	37 468	60,0%	33 915	53,5%	39 597	56,7%
Free State	18 916	80,0%	19 459	78,7%	20 355	77,8%
Gauteng	55 621	81,5%	54 808	76,8%	57 073	74,9%
KwaZulu-Natal	75 077	77,1%	81 830	74,0%	84 842	70,5%
Limpopo	48 219	70,0%	54 897	70,6%	60 087	64,7%
Mpumalanga	22 700	58,2%	22 913	61,8%	22 737	58,6%
Northern Cape	5 667	90,7%	5 609	83,4%	6 172	78,9%
North West	25 055	70,4%	24 221	64,9%	23 748	63,0%
Western Cape	33 769	87,1%	33 065	85,0%	32 573	84,4%
Total	322 492	73,2%	330 717	70,7%	347 184	68,3%

Source: Report on the Senior Certificate Examination, (EMIS, National Department of Education)

The percentage of learners who passed with endorsement (exemption to enter university) increased from 14,2 per cent in 2000 to 18,8 per cent in 2003 before declining to 17,1 per cent in 2005. However, the number of learners passing with endorsement is still very low and needs to be addressed. The percentage pass rate with endorsement is particularly low in Eastern Cape, North West and Mpumalanga.

Table 2.16 Percentage of candidates who obtained university endorsement per province, 2000 – 2005

	2000	2001	2002	2003	2004	2005
Eastern Cape	7,2%	6,5%	8,1%	9,5%	8,8%	8,8%
Free State	12,5%	14,5%	18,8%	22,8%	22,2%	21,9%
Gauteng	18,9%	21,3%	21,7%	23,3%	22,1%	21,1%
KwaZulu-Natal	16,2%	16,8%	18,1%	20,5%	18,9%	17,4%
Limpopo	11,7%	13,4%	17,5%	18,9%	20,9%	17,7%
Mpumalanga	11,7%	9,6%	10,8%	12,4%	12,5%	12,7%
Northern Cape	12,6%	14,7%	18,3%	19,6%	18,7%	15,3%
North West	12,6%	14,4%	14,5%	15,3%	12,4%	12,1%
Western Cape	24,4%	25,0%	26,5%	26,6%	27,1%	26,9%
Total	14,2%	15,1%	17,1%	18,8%	18,2%	17,1%

Source: Report on the Senior Certificate Examination, (EMIS, National Department of Education)

Increase in the number of learners passing mathematics and science

The highest pass rate was for accounting and business economics, with the lowest pass rate for mathematics. Trends in results for mathematics and science are also often seen as an indication of quality and responsiveness to the needs of the labour market. Tables 2.17 and

2.18 show that there is a small percentage of learners writing mathematics and science. However, the number of learners writing mathematics did increase from 258 352 in 2003 to 303 152 in 2005. The number of learners who wrote science increased from 151 808 in 2003 to 181 828 in 2005.

Table 2.17 shows that of the nearly 60 per cent of matriculants (those who sat for six subjects or more) who took the mathematics exam, only 55,7 per cent passed in 2005. Of these, only 8,7 per cent passed on the higher grade. The mathematics pass rate was above 70 per cent in Free State, Northern Cape and Western Cape.

Table 2.17 Number of matric learners and pass rates in mathematics, 2005

Province	Learners passing HG	Learners passing HG as % of those who wrote	Learners passing SG	Learners passing SG as % of those who wrote	Learners passing LG	Learners passing LG as % of those who wrote	Learners who wrote exam	% who wrote and passed
Eastern Cape	1 765	4,0%	16 871	38,0%	5 836	13,1%	44 387	55,1%
Free State	1 440	11,2%	6 780	52,6%	1 183	9,2%	12 895	72,9%
Gauteng	7 377	14,9%	21 174	42,7%	4 224	8,5%	49 555	66,1%
KwaZulu-Natal	5 365	6,6%	27 226	33,4%	8 650	10,6%	81 405	50,7%
Limpopo	2 802	6,0%	13 159	28,0%	3 776	8,0%	46 944	42,0%
Mpumalanga	1 456	7,0%	7 095	34,1%	1 981	9,5%	20 818	50,6%
Northern Cape	413	12,3%	1 618	48,1%	349	10,4%	3 363	70,8%
North West	1 444	6,8%	7 385	34,6%	2 210	10,4%	21 319	51,8%
Western Cape	4 321	19,2%	10 971	48,8%	2 130	9,5%	22 466	77,5%
Total	26 383	8,7%	112 279	37,0%	30 339	10,0%	303 152	55,7%

Source: Report on the Senior Certificate Examination, (EMIS, National Department of Education)

Of the 181 828 learners who wrote the science exams in 2005, 71,1 per cent passed with 16,5 per cent (or 29 965) passing on higher grade. The pass rate was above 80 per cent in Free State, Northern Cape and Western Cape.

Table 2.18 Number of matric learners and pass rates in physical science, 2005

Province	Learners passing HG	Learners passing HG as % of those who wrote	Learners passing SG	Learners passing SG as % of those who wrote	Learners passing LG	Learners passing LG as % of those who wrote	Learners who wrote exam	% who wrote and passed
Eastern Cape	1 641	6,1%	11 782	44,2%	5 425	20,3%	26 684	70,6%
Free State	1 800	20,7%	4 144	47,7%	1 067	12,3%	8 687	80,7%
Gauteng	7 941	24,6%	13 036	40,4%	4 235	13,1%	32 242	78,2%
KwaZulu-Natal	6 341	14,4%	17 318	39,3%	6 559	14,9%	44 021	68,6%
Limpopo	4 246	15,5%	9 538	34,9%	1 917	7,0%	27 335	57,4%
Mpumalanga	1 846	12,7%	5 462	37,5%	2 191	15,0%	14 575	65,2%
Northern Cape	379	18,5%	1 040	50,8%	305	14,9%	2 048	84,2%
North West	1 803	13,2%	5 795	42,5%	2 557	18,7%	13 639	74,5%
Western Cape	3 968	31,5%	5 552	44,1%	1 470	11,7%	12 597	87,2%
Total	29 965	16,5%	73 667	40,5%	25 726	14,1%	181 828	71,1%

Source: Report on the Senior Certificate Examination, (EMIS, National Department of Education)

School nutrition programme targets close to 6 million learners in 2006/07

The education sector is also responsible for the implementation of the national school nutrition programme. The programme aims to alleviate short-term hunger, and improve active learning capacity and school attendance. In 2005/06, 4 945 797 learners were targeted and 4 987 645 learners reached. The programme intends targeting 5 967 995 learners in 2006/07, which is an increase of 21 per cent from the 2005/06 target. A baseline study completed in March 2006 on the programme will inform the targeting strategy going forward.

Table 2.19 Comparison for the National school nutrition programme, 2005/06 and 2006/07

	2005/06		2006/07	Growth rate	2005/06	2006/07
	Number of beneficiaries				Budget allocated R thousands	
	Targeted	Reached	Targeted			
Eastern Cape	999 364	999 364	1 461 917	31,6%	237 602	233 882
Free State	246 857	246 857	407 743	39,5%	65 564	64 784
Gauteng	337 859	337 859	389 361	13,2%	101 124	99 921
KwaZulu-Natal	1 251 140	1 251 140	1 367 655	8,5%	242 251	239 372
Limpopo	1 002 609	1 002 609	1 054 609	4,9%	204 469	202 039
Mpumalanga	492 687	492 687	492 025	-0,1%	85 565	84 549
Northern Cape	122 200	122 200	184 592	33,8%	30 003	29 647
North West	336 464	378 312	406 910	17,3%	96 678	95 529
Western Cape	156 617	156 617	203 183	22,9%	48 895	48 313
Total¹	4 945 797	4 987 645	5 967 995	17,1%	1 112 151	1 098 036

1. An additional amount of R200 million was allocated with the adjustment in 2005/06 which pushed the allocated amount for 2005/06 up to this level.

Source: National Treasury provincial database and National Department of Education

Further work on quality improvement

While enrolment rates are impressive and overall spending on education at 5,3 per cent of GDP compares well with other countries – these statistics do not tell us enough about the ability of the schooling system to retain learners nor do they tell us about the quality of the education they receive or whether in fact the education that is currently provided equips learners to get jobs, access higher education or to contribute to the economy, their families, communities and society as a whole.

Despite high levels of expenditure, increased spending equity and growing real allocations, education outputs and quality remain a concern, especially in the light of recent standardised international tests pointing to South Africa as a weak performer. In the past, consistent measures of output and quality have been limited to trends in matric results with little systematic information about other stages in the system. Progress is, however, being made partly through the availability of standardised international tests and initiatives of the departments of education such as the process of systemic evaluation. Further work is, however, required in benchmarking outputs, performance and cost-efficiency of provinces and schools.

South Africa’s performance has been consistently weak in standardised international tests

UNESCO in 2003 placed the “survival” rate of South African children reaching grade 5 close to 65 per cent; lower than Zambia, Tanzania and Swaziland. These progression rates decline further in the later grades. The next standardised international test scores (TIMMS-R) will only be done in 2007.

While the drop-out rate is not huge, it is still cause for concern as it indicates that:

- learners are repeating grades
- learners leave school for economic reasons and may delay secondary level schooling
- learners simply exit the system never to return.

Findings of the grade 6 national systemic evaluation (34 000 grade 6 learners from a representative sample of 1 000 main stream public schools in late 2004) indicates that despite being part of a non-racial system with new curricula and learning materials, learning achievement is still sub optimal. Most learners scored at the “non-achieved” level (lower than 40 per cent overall) with 41 per cent in the natural sciences, 38 per cent in languages and 27 per cent in mathematics.

While not designed to tell us how specific factors cause children to perform better or worse, the survey does show us what factors on their own and in combination are associated with better learning namely learner participation, school resources and teaching resources. A few other factors, while not as strongly correlated, include school safety, provision of information at school, school discipline and regular attendance.

Further, the study also indicates that:

- Better performance is achieved in all three learning areas when children are taught in their home language.
- The best results came from more affluent schools and performance decreased by type of school: urban, township, farm, rural and remote rural.

The department has focused on interventions that will lead to the improvement of quality in the system by allocating resources to teacher development, a focus on the teaching of mathematics and science, and the provision of school equipment and other learner support materials. However the challenge to translate these inputs into improved educational outcomes remains.

Conclusion

The proportion of Education expenditure to GDP averages about 5,3 per cent over the period under review but still remains slightly above other countries at the same level of development.

While showing strong growth in the period ahead, the share of education in total provincial budgets declines from 45,7 per cent in 2002/03 to 44,7 per cent in 2005/06 and is budgeted for a further decrease to 42,8 per cent by 2008/09. This trend should be addressed if education is to fulfil its important role in developing the skills base

needed for sustained economic growth and a reduction in poverty and inequality.

A key challenge for the sector is to translate the substantial resources assigned to the sector into tangible educational outcomes. This requires not only an improvement in the efficiency of spending but also needs closer collaboration with other sectors like health, social development, labour, safety and security, local authorities and with communities via school governing bodies and parent teacher associations. A holistic approach to the interventions is more likely to achieve improvements in the outcomes of the sector, than any single intervention could.